Australian university workforce responses to COVID-19 pandemic: reacting to a short-term crisis or planning for longer term challenges?

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25 September 2020

Summary

Australian universities are facing their greatest challenges since at least the 1930s Depression as a result of the global COVID-19 pandemic. A significant decline in international student fee revenue and public universities' inability to access government programs like JobKeeper is having a major impact on university finances and staff and resulting in deep and sustained cost-cutting responses.

With some 57% of total public university expenditure allocated to employment and related costs, workforce savings are an inevitable consequence.

Using publicly available information for the period from early March to 18 September 2020[1], the authors have analysed the workforce response of Australian public universities to COVID-19. While acknowledging the limitations, the information provides important insights into the actions that universities are taking, particularly in relation to their permanent workforce.

While initially exploring a whole of sector workforce approach through collaboration between universities and the sector's principal union, the National Tertiary Education Union (NTEU), the breakdown in negotiations in mid-2020 meant that each university has had to find its own way in reducing employment costs. Universities with the greatest exposure to international fee revenue losses (those with international student fee revenue greater than $200 million[2]) appear to have been those most prompt to announce savings and job loss targets. Universities experiencing more modest revenue shortfall have in general taken longer to publicly respond. Universities that have sought and achieved union support for workforce savings appear to have been able to reduce the numbers of job losses by gaining agreement to other savings options, most frequently deferral of salary increases. At the time of writing, two universities have been successful in achieving staff support for salary increase deferral variations to their enterprise agreement without first gaining the support of the NTEU.

Drawing on media reporting of university responses to date, the financial impact of the pandemic amounts to approximately $3.8 billion for 2020, with overall job loss expectations for continuing appointments amounting to at least 5,600 full-time equivalent (FTE). In addition, a conservative 25% cut in casual and research-only staff could result in a further loss of staff equivalent to 7,500 FTE (which by head count would mean an estimated 17,500 people) out of a total higher education workforce in 2019 of 137,000 FTE including casual staff[3].

The authors identify a number of other factors that appear to be influencing the response of individual universities to drive workforce changes. These include legacy funding issues now made more severe as a result of the pandemic, university leadership appetite for major organisational change, and recent or current transitions in university leadership.

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[1] To inform this paper, the authors sourced information from the following: ABC News Online, Adelaide Now, The Advocate, The Age, The Australian, Australian Financial Review, The Border Mail, Campus Morning Mail, Canberra Times, The Conversation, Courier Mail, Daily Advertiser, Goulburn Post, InDaily, Launceston Examiner, The New Daily, NTEU website, Port Macquarie News, SBS News Online, Sydney Morning Herald, THE (Times Higher Education) Academic and University News, Western Advocate, The West Australian, university websites and 2019 Annual Reports (2018 for ANU)

[2] We use Marshman and Larkins grouping of universities into four levels of international student fee revenue (greater than $500 million, $200-500 million, $100-200 million and less than $100 million): Marshman, I. and Larkins, F. (2020). Modelling Individual Australian Universities Resilience in Managing Overseas Student Revenue Losses from the COVID-19 Pandemic. Insights, Melbourne Centre for the Study of Higher Education. *https://melbourne-cshe.unimelb.edu.au/lh-martin-institute#news-and-insights*

[3] 137,054 FTE (rounded to 137,000) is the number of full-time, part-time and casual higher education staff reported in 2019 in the Department of Education, Skills and Employment's Higher Education Statistics 2019 Appendix 1. *https://docs.education.gov.au/documents/2019-staff-appendix-1-actual-staff-fte*

The analysis suggests that based on public reporting most universities are focused on immediate response actions. It is however likely that many are also initiating more strategic workplace reform with a view to managing the changes in the post-pandemic operating environment. Universities that have achieved staff support for enterprise agreement variations may be particularly exposed to short-term responses.

The authors set out some workforce policy considerations that universities could consider as they focus on subsequent recovery and renewal phases. We identify longstanding structural shortcomings in the current workplace relations framework and propose that universities will need to take a more collaborative, whole of sector approach to develop a framework more suited to the challenges of a COVID-19 'new normal' world.

1. Introduction

The COVID-19 pandemic is proving to be the greatest external shock the nation and the Australian higher education (HE) sector has experienced, at least since the Great Depression when the number of universities was a mere six. At that time, these universities suffered significant income loss, which was offset by significant salary reductions, active workforce planning and increasing student enrolments. Then as now, university expertise was an essential part of government planning to manage the on-going crisis[4].

In this paper, the authors seek to document one core component of the responses individual universities have taken to deal with cost containment as part of their broader response to the COVID-19 pandemic. This is the impact on the permanent workforce. Our analysis covers the six months from the full onset of the virus at the beginning of March through to mid-September 2020. The analysis is limited to information in the public domain[5], and therefore does not purport to be comprehensive.

Noting these limitations, the authors are of the view that the information available is sufficient to be able to draw important conclusions about the nature of the response at both individual institutional and whole of sector levels.

The authors acknowledge that Australian university responses to the pandemic include a more far-reaching range of actions than those simply focusing on the permanent workforce. Notably they include significant job losses for casual and fixed term contract staff. Current estimates are that 24% of the HE academic workforce is casual[6]. Reliable data on the quantum of casual staff shrinkage are not available in the public domain and so the impact of COVID-19 on casual and fixed term staff has not been able to be included in this analysis.

Finally, the authors make some suggestions as to additional measures that Australian universities might consider, both to deal with the longer-term consequences of COVID-19 and, among other things, to use the current period of forced change to develop alternative approaches to dealing with challenging workplace relations issues that have vexed Australian universities for some time.

2. COVID-19 impact on the university sector

Initially, the pandemic appears to have been perceived as a 2020 issue as universities experienced an immediate decline in international enrolments and other revenue streams. Universities directed funds to provide financial support for international and domestic students for whom the casual or part-time work on which they relied for living costs collapsed. Within a matter of weeks, universities proved successful in securing the rapid conversion of teaching pedagogy and student experience programs to an exclusively on-line environment. In some cases, universities directed significant effort to COVID-19 related research and

[4] Croucher, G. and Waghorne, J. (1 November 2020). *Australian Universities: A history of common cause*. Sydney: UNSW Press, pp 37-40.

[5] To inform this paper, the authors sourced information from the following: ABC News Online, Adelaide Now, The Advocate, The Age, The Australian, Australian Financial Review, The Border Mail, Campus Morning Mail (CMM), Canberra Times, The Conversation, Courier Mail, Daily Advertiser, Goulburn Post, InDaily, Launceston Examiner, The New Daily, NTEU website, Port Macquarie News, SBS News Online, Sydney Morning Herald, THE (Times Higher Education) Academic and University News, Western Advocate, The West Australian, university websites and 2019 Annual Reports (2018 for ANU)

[6] The estimate of 24% of academic workforce being casual is derived from the Department of Education, Skills and Employment's Higher Education Statistics using 2019 full time equivalent (FTE) data (uCube data and prepared reports) - *http://highereducationstatistics.education.gov.au/Default.aspx*

community engagement, including epidemiology and vaccine research, donation of chemicals and equipment to health services, and specialised courses for recently unemployed job seekers.

The scale of the impact was to be massive. Reflecting this initial focus on the immediate term, on 7 April 2020, some weeks after the full onset of the pandemic, Universities Australia (UA) reported that 21,000 jobs would be at risk over the next six months and that across the sector revenue would decline by between $3 billion and $4.6 billion[7].

As the far-reaching health and economic consequences of the pandemic became clearer, both for Australia and globally, the higher education sector came to appreciate the longer-term significance of the global pandemic on their operations and finances. It took until 3 June 2020 for UA to report that updated modelling indicated Australian universities could lose $16 billion in revenue between then and 2023, with revenue losses for the remainder of 2020 forecast to be between $3.1 billion and $4.8 billion[8].

3. Impact of the Government response

In the early stages of the pandemic, along with other sectors, Australian universities anticipated some level of additional government support to mitigate the impact COVID-19 was having on university finances. However, it quickly became apparent that there would be little sympathy within the Federal Government for the predicament in which Australian public universities found themselves, notwithstanding the sector's status as Australia's third largest exporter.

The Minister for Education's COVID-19-related Higher Education Relief Package released on 12 April 2020 provided little in the way of additional support beyond a guarantee of Commonwealth Grants Scheme funding at agreed levels for 2020 irrespective of enrolment outcomes, the provision of funding (at marginal rates) for targeted short-term online courses and some easing of government fees and charges. Subsequently the Australian Government's Coronavirus Economic Responses have excluded international students in casual employment roles, as well as domestic short-term casuals, from eligibility for its income support JobKeeper and JobSeeker programs. A subsequent update of the eligibility criteria included a special provision that effectively ruled out publicly funded universities from eligibility for the JobKeeper program support in contrast to the circumstances available to private providers not in receipt of government funding.

Once these outcomes were known, Australian university leaders quickly came to the realisation that dealing with the financial consequences of COVID-19 was a matter either for the sector generally or for individual institutions.

4. Immediate responses and reducing salary expenditure

The immediate response of Australian universities was to defer capital works spending, reduce non-salary expenditure, scale back the use of casual and fixed-term staff and introduce other short-term measures such as executive salary cuts in a clearly enunciated endeavour to minimise the impact on staff with continuing employment. However, with employment and related costs amounting to some 57% of total expenditure[9] it became evident that extraordinary cost reduction measures would need to be taken to reduce costs both in the immediate and for the longer term.

Given the prevalence throughout the sector of enterprise agreements setting out, in detailed terms, formal procedures for negotiating staff reductions, the sector was faced with a choice of three approaches:

1. Seek to renegotiate at a sector level with union leadership for some increased flexibility to achieve a reduction in employment costs during the pandemic (albeit reductions which would need to be ratified at enterprise level),

[7] Uni viability crucial to national recovery. Universities Australia 7 April 2020. *https://www.universitiesaustralia.edu.au/media-item/uni-viability-crucial-to-national-recovery/*

[8] COVID-19 to cost universities $16 billion by 2023. Universities Australia 3 June 2020. *https://www.universitiesaustralia.edu.au/media-item/covid-19-to-cost-universities-16-billion-by-2023/*

[9] *Ibid 6*

2. Seek changes to existing terms and conditions of employment by a binding vote of staff at an enterprise level with or without union agreement to those changes, or

3. Use existing enterprise agreement provisions for implementing cost reduction measures.

In April 2020, under the aegis of UA and the Australian Higher Education Industrial Association (AHEIA), a panel of four Vice-Chancellors (University of Western Australia, and Charles Sturt, La Trobe and Monash Universities) entered into an informal round of negotiations with the National Tertiary Education Union (NTEU) in an endeavour to secure agreement on broad initiatives that might be applied across the sector with implementation to occur through subsequent amendment of individual institutional enterprise agreements. The Job Protection Framework negotiations resulted in a package of measures acceptable to all those directly involved in their development. They included such measures as deferral of pay increases and other salary savings measures for the term of the crisis in return for universities guaranteeing to minimise redundancies, allowing for voluntary departure packages for employees, guarantees for casual staff re-employment, reducing executive pay, and seeking to curtail expenses in a range of areas including purchasing, travel and capital works.

While there was an undercurrent of dissatisfaction within some sections of the NTEU membership with the process and outcomes of the negotiations, there was more explicit opposition among some university councils and vice chancellors to some of the proposals, in particular, the inclusion of union representation on committees to oversee university change plans. The national Jobs Protection Framework proposal was abandoned at the end of May 2020.

The absence of any tangible government assistance and the inability or unwillingness of Australian university leadership to reach an accord with the sector's major union over a common approach to minimising the impact of COVID-19 on university staff meant that by the end of May 2020 it had become apparent that each university had to determine its own response to managing the immediate and longer-term financial impact on the institution and its staff.

5. Individual university responses to COVID-19 impacting on workplace relations and employment conditions

In an earlier paper, Marshman and Larkins (2020)[10] identified the loss of international student fee revenue as the greatest contributor to the financial shock Australian universities are facing as a result of COVID-19. Importantly, they concluded that the longer-term financial consequences are likely to be more significant than the immediate revenue losses experienced in 2020. Using the scale of the international student programs in 2018 (the latest year for which the HE Statistics data are available) to differentiate between universities, Marshman and Larkins (2020) created four groups of university.

Group A - Universities with international student fee revenue of greater than $500 million

Group B - Universities with international Student fee revenue between $200 million and $500 million

Group C - Universities with international student fee revenue of $100 million and $200 million

Group D - Universities with international student fee revenue of less than $100 million

For the current study, the authors found it convenient to classify approaches to reducing staffing expenditure in line with the Marshman and Larkins grouping, with updated revenue data based on the universities' 2019 annual reports[11].

Based on publicly available information, we then assessed the approach each university appeared to be taking to manage the impact of revenue losses on employment and related expenditure. Our grouping is as follows:

Approach 1: Response under consideration or unknown.

[10] Marshman, I. and Larkins, F. (2020). Modelling Individual Australian Universities Resilience in Managing Overseas Student Revenue Losses from the COVID-19 Pandemic. Insights, Melbourne Centre for the Study of Higher Education. *https://melbourne-cshe.unimelb.edu.au/lh-martin-institute#news-and-insights*

[11] 2019 annual reports were used for all universities except ANU for which the latest Annual Report available was 2018.

Within this group are universities:

- Which are in planning and discussion phase, or negotiations with staff and the union;
- For which there is no publicly available information;
- Which have publicly determined to adopt a wait and see position or appear to have adopted a less immediate timeline for response, or
- Which have publicly indicated they see no present need for additional measures requiring substantial reductions to employment costs.

For some of the universities in this Group, the wait and see approach appears to have been adopted in anticipation of the outcome of the 2020 second semester enrolment period or because of transitions in vice-chancellor appointment. Others remain in the early stages of planning or negotiating with the unions. For some universities, there appears to have been a limited response so far or no need for a major response relating to permanent employees. For others there is little to no information available in the public arena.

Approach 2: University enterprise agreement variation supported by staff

Within this group are universities for which there is publicly available information indicating:

- A need to achieve substantial reduction in employment costs, and
- Action has been taken to seek and has achieved agreement with staff and/or the union to amend current enterprise agreements to vary conditions of employment.

These universities have determined to reduce costs by salary reductions, minimisation of leave accruals, and delaying or avoiding job losses and redundancies (voluntary or involuntary).

Approach 3: Management-led approach within existing enterprise agreement

Within this group are universities for which there is publicly available information indicating:

- A need to achieve substantial reduction in employment costs, and
- A determination has been made to apply change management provisions within existing enterprise agreements to secure the reduction in costs.

These universities appear to be taking action through the adoption of institutional strategies to address anticipated revenue shortfalls through a review and reshaping of university offerings and structures and, in some cases, rectification of longer-term fiscal problems. This group includes both universities unsuccessful in securing staff/union support to vary enterprise agreements and universities who opted from the outset to operate with the framework of existing industrial agreements.

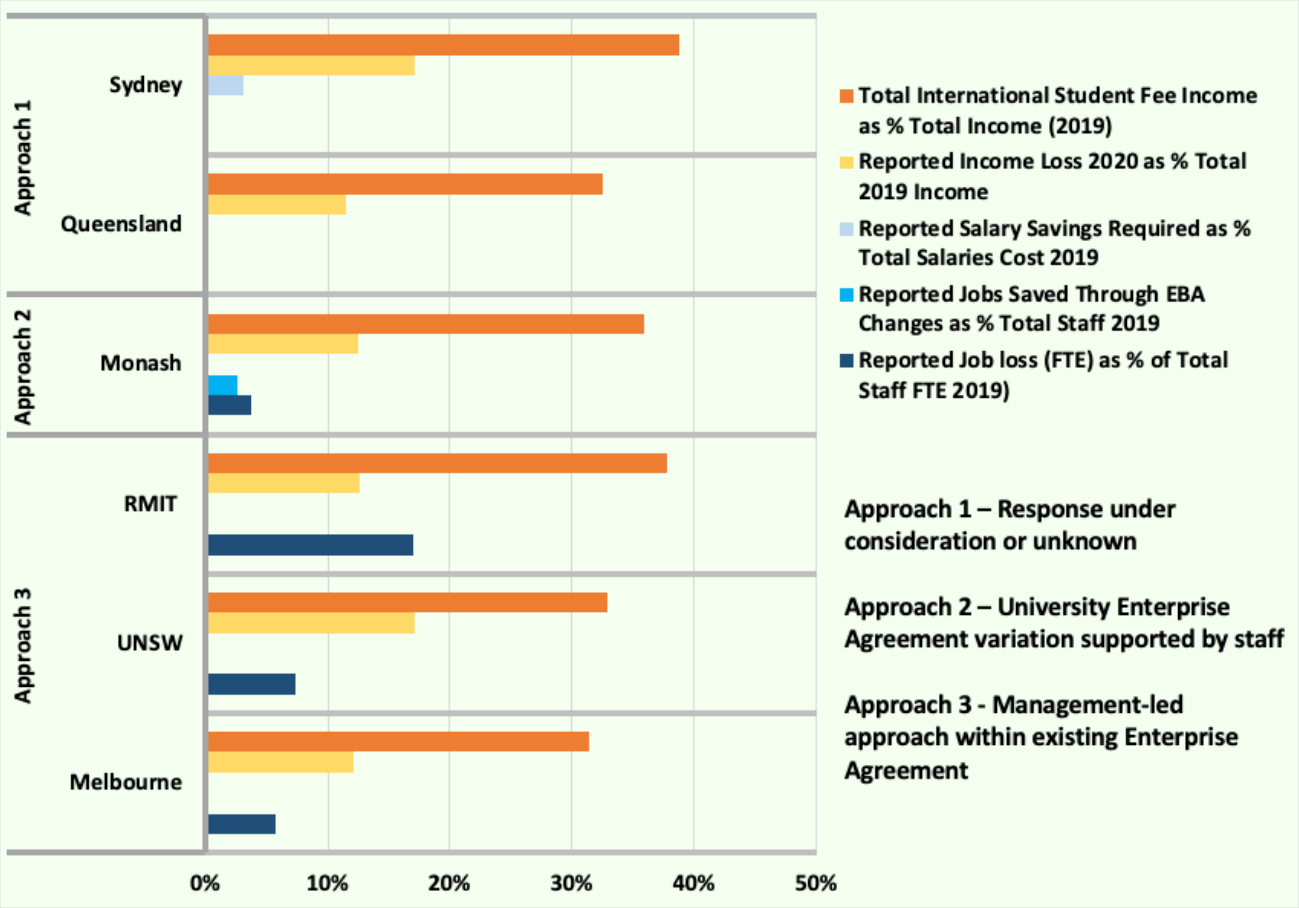
We have summarised the grouping of universities according to these categories (**Attachment 1**) and have tabulated the publicly available responses from universities to revenue loss and consequent staffing strategies within these categories in **Attachment 2**. **Attachment 2** also lists the full names of universities with the abbreviations used throughout the paper.

5.1 Group A – universities with international student fee revenue of greater than $500 million

The original Group A comprised Australia's five largest research-intensive universities, all part of the Group of Eight. Each earned more than $500 million from their international student programs in 2018 and similarly in 2019 (**Figure 1**). Using 2019 Annual Report figures in this paper, RMIT has moved into Group A from Group B in the analysis of Marshman and Larkins (2020)[12].

[12] RMIT's 2019 Annual Report indicates its fee revenue for 2019 from international students was $520 million. In the 2018 Higher Department of Education, Skills and Employment's Higher Education Statistics data used in Marshman and Larkins' paper (footnote 8), the revenue was $463 million.

Figure 1: University Responses to COVID-19 for Universities with International Student Fee Revenue of Greater Than $500m



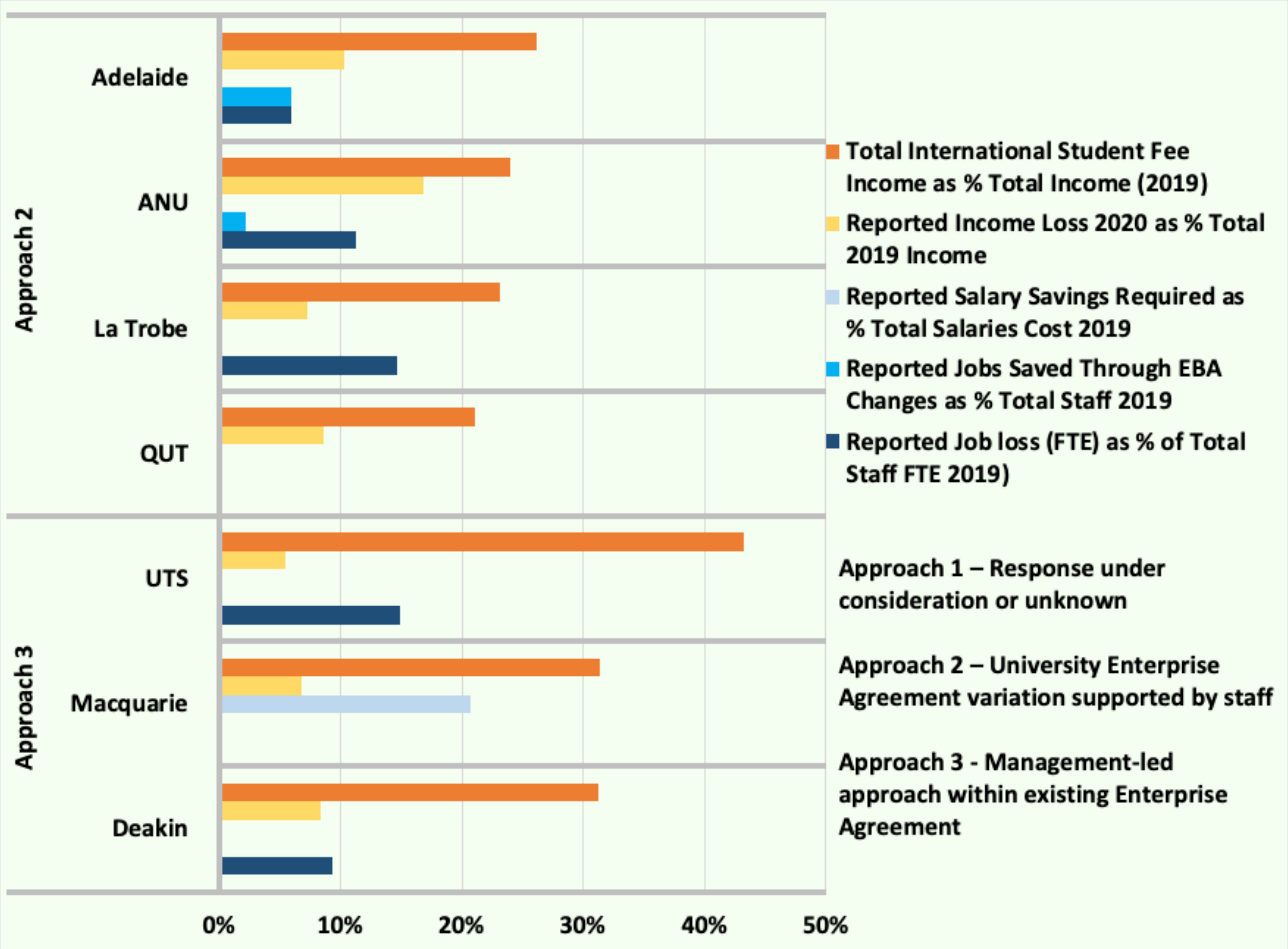
All universities in Group A have made public statements on the extent of revenue loss. This is not surprising given the extent to which international fee revenue contributes to overall revenue. Estimates of 2020 losses range from $175 million for RMIT to $350 million for Melbourne and Monash. UNSW estimates a shortfall for 2021 of $370 million and Melbourne a loss of $1 billion for the 2020-22 triennium. Other interesting features include:

- Monash is the only university in this Group which has obtained staff support for a series of changes to the current enterprise agreement, including deferral of scheduled salary increases. The agreement and consequent savings are reported to have reduced the need for job losses by some 190 positions.
- Without support from the NTEU, the University of Melbourne put a proposition to staff to defer salary increases and introduce new voluntary departure packages. This was unsuccessful. Now, like UNSW, it has signalled substantial restructures and the need for a reduction of between 7 to 7.5% of existing full-time equivalent (FTE) continuing roles. Melbourne is reportedly seeking further economies in the delivery of its professional services. UNSW is consolidating the number of academic and administrative divisions.
- RMIT has announced that 355 voluntary departure packages have been accepted by staff, which nearly meets an earlier stated need to save 400 positions, based on a projected revenue shortfall of $175 million in 2020. A further round of involuntary redundancies of up to 250 jobs is expected before the end of the year.
- Revenue shortfall at the University of Sydney for 2020 has been stated to be $200 million, with no public projections on the likely job loss, although this has not been dismissed as the University explores a range of savings initiatives at organisational unit level and a voluntary redundancy program.
- Both Sydney and Queensland are in a state of transition in leadership roles and there are reports that both universities may be awaiting 2020 second semester enrolment outcomes before finalising COVID-19-related employment responses. Sydney University second semester enrolments are reported to be better than forecast, while overall revenue is still expected to be down no more than 6.3%, with variations across faculties.

5.2 Group B - universities with international student fee revenue of between $200 million and $500 million

The seven universities in Group B each earned between $200 million and $500 million in international student fee revenue in 2018 and 2019[13]. That revenue, as a proportion of total revenue, ranged between 24% for ANU (using 2018 data) to 31% for Macquarie (using 2019 data)[14]. For universities for which there are estimates of the longer-term financial impact of COVID-19, the estimates are generally around $200 million with ANU the outlier in anticipating a larger term financial shortfall of $600 million (**Attachment 2**). Using 2019 Annual Report figures, we moved La Trobe into Group B in this paper from Group C in the Marshman and Larkins paper[15].

Figure 2: University Responses to COVID-19 for Universities with International Student Fee Revenue of $200m-$500m



ANU has signalled a likely financial impact of COVID-19, anticipating a $225 million budgetary impact in 2020 and a larger impact in subsequent years. La Trobe has estimated a longer-term financial loss of $400- $520 million. Macquarie ($70 million shortfall in 2020) and UTS ($50-60 million shortfall in 2020) are anticipating the lowest budgetary impact in the short term. Notwithstanding its earlier estimate of COVID-19 impact, in early September Macquarie announced the need for $120 million in salary savings, with voluntary (and possible subsequent compulsory) redundancies as part of the savings measures.

[13] As noted earlier, this paper has amended the Marshman and Larkins original Group B so that RMIT does not appear in this list.

[14] As noted earlier, revenue data was obtained from 2019 Annual Reports of each university except ANU for which the most recent Annual Report was 2018.

[15] La Trobe University's 2019 Annual Report indicates its fee revenue for 2019 from international students was $201 million. In the 2018 Higher Department of Education, Skills and Employment's Higher Education Statistics data used in Marshman and Larkins' paper (footnote 8), the revenue was $158 million.

Three universities have sought to reduce staff loss by agreement with the NTEU broadly aligned to the Job Protections Framework:

- Adelaide's changes to its enterprise agreement conditions is said to have reduced the need for job losses by 200 positions from 400. These changes include a possible pay cut of 3.5% starting at $30,000, and provision for a 15 day leave purchase.
- QUT's agreed changes include the cessation of the annual leave loading and the mandating of leave to be taken over the Christmas/New Year period. In return, QUT has agreed that there are to be no involuntary redundancies before July 2021.
- La Trobe is estimating the need for employment savings equivalent to the loss of some 429 jobs and, with the changes to enterprise agreements, are said to have reduced the need for job losses by 225 positions.

ANU is the only university nationally where staff have voted to agree to a variation of employment conditions, without union support. ANU staff voted to defer 2% pay increases in 2020 and 2021. It was opposed by the NTEU but is reported as having got up by 39 votes. The measures result in a saving of $6.75m in 2020 and $13m in 2021, out of a total shortfall of $225m in 2020, with similar levels in subsequent years.

La Trobe has linked its COVID-19 response to a new strategic plan which proposes a consolidation of academic programs, presumably allowing for a more targeted application of voluntary redundancies.

Deakin, Macquarie and UTS each appear to be relying on management-driven responses and substantially greater staff reductions than might be achieved under the Jobs Protection Framework, working through the existing management of change provisions of their respective enterprise agreements. As well as voluntary redundancies, initiatives appear to be targeted at securing reductions in leave balances. Some universities have flagged the need to resort to involuntary redundancies if the number of voluntary separations is insufficient.

It is noteworthy that within Group B, UTS, Macquarie and Deakin are the universities which are the most reliant on international student fee income as a proportion of total revenue amounting to 43% for UTS, 31% for Macquarie and 31% for Deakin respectively in 2019. This may be a key consideration informing the decision taken to opt for a management-led initiation of response in preference to seeking the engagement of staff and lesser overall staff reductions through amendment of enterprise agreements. Concerns about the consequences of a longer-term decline in international fee enrolments may have given rise to the need for more substantial organisational and program restructuring. These universities may have determined that the change management provisions within current agreements are likely to provide the most appropriate platform on which to introduce these reforms, given that union/staff support for acceptable alternatives would not be forthcoming.

5.3 Group C - universities with international student fee revenue of $100-200m

There are 14 universities within Group C. Based on its 2019 University Annual Report data, we move Victoria University Group C from the Marshman and Larkins' Group D[16]. Reliance on international student fee revenue as a proportion of total university revenue varies significantly, from 14% for the University of Western Australia to a sector-leading 45% for Federation University.

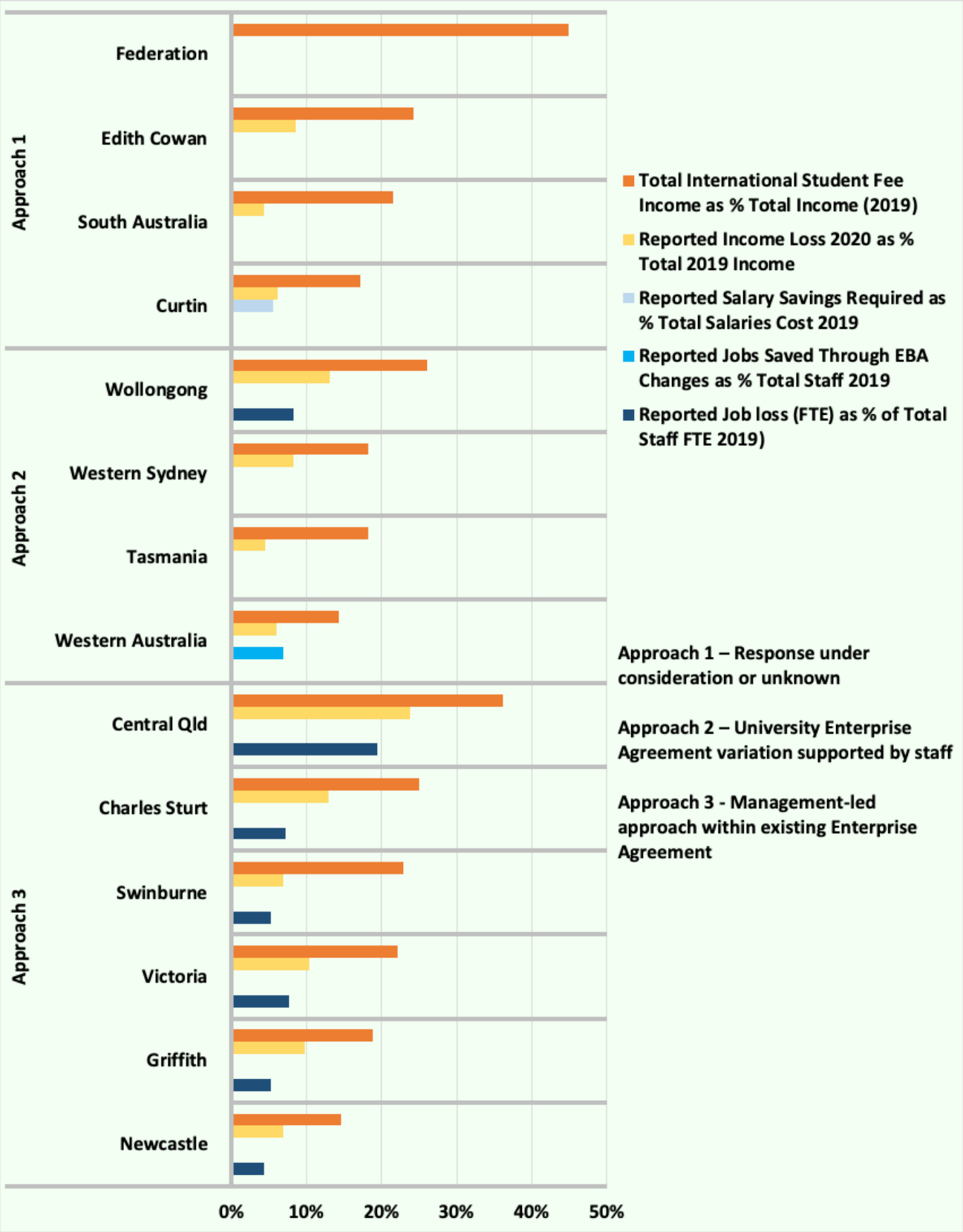
The financial impact of the COVID-19 pandemic on university finances, as publicly available, varies as outlined in **Figure 3**.

- At the more modest end, 2020 losses are estimated at around $30 million for South Australia, $30-34 million for Tasmania and $58 million for Newcastle to $100 million or more for Griffith, and a loss of $199 million for Western Australia.
- The impact on employment levels also varies widely, with Wollongong and Griffith estimating an impact of 400 and 300 jobs respectively, while Newcastle has indicated a need for savings of at least 120 positions and Charles Sturt 150 positions (of which 35 are currently unfilled).

[16] Victoria University's 2019 Annual Report indicates its fee revenue from international students was $107 million. In the 2018 Higher Department of Education, Skills and Employment's Higher Education Statistics data used in Marshman and Larkins' paper (footnote 8), the revenue was $89 million.

- To date, few universities appear not to have released job savings targets or employment expenditure savings targets.

Figure 3: University Responses to COVID-19 for Universities with International Student Fee Revenue of $100-200m



Within this Group, Charles Sturt, Curtin, Federation, Victoria and Western Australia are universities in leadership transition in 2020 and 2021. Four universities (Tasmania, Western Australia, Wollongong and

Western Sydney Universities) have acted to minimise job loss by securing agreement to changes in enterprise agreements through negotiation with the NTEU.

- Wollongong succeeded in its second attempt after an earlier proposal was rejected by staff. Wollongong's changes encompass a deferral until 2022 of any pay increases, provision for increased work flexibility, a leave purchase plan, some protections for fixed term and casual staff and a commitment to not force redundancies at least until April 2021.
- The changes to enterprise agreements are said to have reduced the need for job losses at Western Australia by 230 positions and no immediate redundancy program, and some 200-220 positions at Wollongong, with no involuntary redundancies before April 2021. Leave purchase plans are also included within the response package of both universities.
- At Western Sydney the enterprise agreement changes are said to have eliminated the need for job losses in 2020. Leave purchase plans are included within the response package and guarantees given not to reduce the academic casual budget in 2020 and prioritise allocation of casual work to long term casuals.
- Tasmania's package of COVID-19 employment measures include cancellation of a 2% pay increase and deferral of salary increases associated with promotions, for time fractions for some staff, and early retirements and voluntary redundancies. The package appears to have been accompanied by a strategic restructuring of academic programs with separate course offerings said to be reduced from 514 to 120.
- Victoria University has reportedly ended its negotiations with the NTEU about a proposal which followed the principles of the Job Protection Framework and which may have protected 90 FTE positions. The University is now considering up to 190 FTE redundancies during 2020 and 2021 commencing with a voluntary program likely to commence this year.

Some universities are working within the current constraints.

- Griffith attempted to change its enterprise agreement but this was opposed by the NTEU and failed to gain the support of staff.
- Central Queensland has a clearly articulated plan which involves considerable job losses and indicates a strategic approach to consolidate its operations by closing two distributed learning centres, while at the same time embarking on revenue growth and program expansion, notably at Cairns in Far North Queensland.

Responses from other universities in this Group vary, with an overall cautious approach to staff reduction.

- South Australia has been explicit in advising of a limited need, if any, to resort to employment expenditure savings in response to COVID-19. It has no plans to shed staff and indicates its focus is on alternative revenue growth, primarily via increased domestic student enrolments.
- Federation has a significant funding shortfall, but as yet has not publicly announced job reductions, noting the financial impact on the local economy of such cuts. Given Federation's high reliance on international fee revenue, the absence to date of any public advice in employee savings is noteworthy.
- In early September, Curtin announced the need to achieve $30 million of savings in employment costs. A proposal for an amendment to the University's enterprise agreement was narrowly rejected by a staff vote. It is estimated that Curtin University may need to reduce its staffing complement by 200 FTE, although the extent of this reduction may be offset by other savings.
- Swinburne's response includes a call for an unspecified number of acceptances of voluntary departure packages and a voluntary nine-day fortnight with day ten operating as 'contribution leave', presumably in an endeavour to tackle employment cost via a reduction in leave.

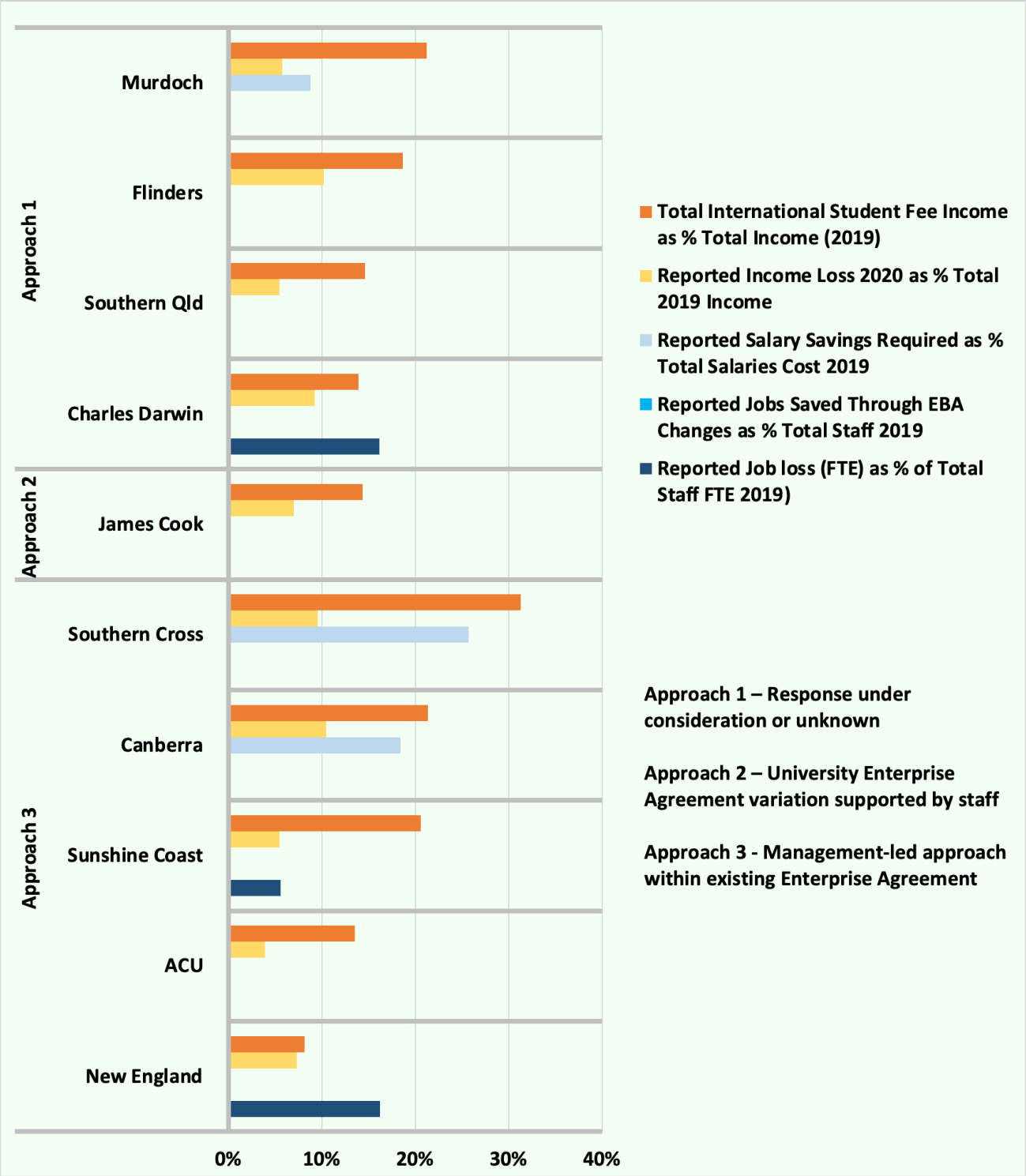
5.4 Group D - universities with international student fee revenue of less than $100m

There are eleven universities in Group D based on 2018 data, and ten universities with 2019 data from Annual Reports (Victoria University was moved into Group C[17]). Their reliance on fee income as a proportion of total

[17] *Ibid 16*

income is more modest which, in 2019, ranged from 8% for New England to 21% for Murdoch and Sunshine Coast Universities and the University of Canberra (**Figure 4**).

Figure 4: University Responses to COVID-19 for Universities with International Student Revenue of Less than $100m



Flinders anticipates a $54 million impact on its finances in 2020 from COVID-19, and James Cook a loss of $30-$40 million. ACU is expecting a revenue shortfall of $126 million through to 2022, Canberra $60 million by 2021, and Southern Cross $40 million over the period through to 2021. Other universities are anticipating revenue shortfalls of around $20-$30 million. It is noteworthy that, excluding ACU, all universities appear focused on the initial impact on finances in 2020 and 2021. Three universities (Southern Cross, Sunshine Coast and ACU) are in leadership transition mode.

Only three universities have publicly indicated the scale of any job reductions. They range from 60 jobs at Sunshine Coast, 100 at Charles Darwin and up to 190 at New England where a substantial prior year operating deficit and the impact of the Black Summer Bushfires appear to have added to the financial challenge.

One university in this Group (James Cook) has so far reached agreement with unions and staff to offset staff loss through variations of the enterprise agreement[18]. In early September, Murdoch announced the need to find some $25 million in salary savings and is looking to put EA variations to a staff vote. Murdoch had previously renegotiated its research workload allocations, apparently securing a 55% reduction in allocations, thereby allowing for a reduced requirement for sessional and casual staff.

Two universities under financial pressure prior to COVID-19 have announced significant restructuring initiatives as part of their response packages. New England is undertaking a review of its course offerings and organisational and executive restructuring. Southern Cross is the other university in this Group to have put changes to its enterprise agreement to a vote but was unsuccessful in securing staff agreement. It has accepted 71 voluntary redundancies with further redundancy rounds under consideration. Other actions include closing one of its academic centres and moves to replace its semester calendar with six intensive learning blocks. Sunshine Coast has implemented a voluntary redundancy program.

ACU has taken a novel approach, drawing down some $53 million from anticipated future forecast surpluses to create a reinvestment fund that can be used to minimise the need for job losses in the shorter term. Canberra has developed a three-tier approach to securing savings within its current enterprise agreement which envisages the mandating and possible sacrifice of accumulated leave entitlements as well as voluntary and involuntary redundancies.

Without changes to enterprise agreements, universities in this Group appear to be relying on voluntary redundancies, possibly followed by involuntary redundancies, and savings on casual and fixed term employment, along with permitted action to reduce leave liabilities as their primary means to reducing employment costs. Many in the Group are regional universities and may be anticipating further funding relief, or that, as beneficiaries of the Australian Government's Job-ready Graduates legislation currently before the Senate, an apparent spike in mid-year enrolments of domestic students may continue into 2021.

Overall, it would appear that, as a Group, these universities are either less advanced in developing and implementing plans for securing any employment-related savings as part of their COVID-19 financial response packages or have identified alternative actions to offset anticipated loss of international student fee or other revenue. The relatively modest scale of international student exposure is an obvious factor as well.

6. Lessons from the first six months of COVID-19

The data suggest that UA's early revenue and job loss estimates are likely to be realised. On the basis of our collection of publicly available data, the total revenue loss for those for which data are available already amounts to $3.8 billion (**Attachment 2**). Universities appear to have acted cautiously and conservatively when reducing the numbers of full- and part-time staff. However, again for those for which targets of staff losses are publicly available, we estimate the minimum number of losses to be around 5,600 FTE (**Attachment 2**). The total impact of the pandemic on employment will be considerably higher when all universities finalise their plans and when further redundancy rounds already foreshadowed by many universities occur and once the scale of the casual, sessional and fixed term job losses becomes known. We conservatively estimate that if 25% of the research-only jobs (mostly fixed term appointments) and 25% of casual teaching jobs were not able to be sustained, the HE contingent workforce would be reduced by a further 7,500 FTE, affecting approximately 17,500 people working in universities[19].

What is apparent from the above analysis is that:

- With few notable exceptions, the universities with the largest exposure to reductions in international fee revenue have been quickest to publicly respond with initiatives designed to reduce employment

[18] For James Cook, the staff supported enterprise agreement variation is pending approval from the Fair Work Commission
[19] HES Statistics, 2019 Staff Statistics, Appendix 1. *https://docs.education.gov.au/node/53177*

expenditure and have been the most willing to articulate job savings targets. Six of these universities[20] have either not sought, or not achieved, staff approval for proposed reductions in staffing costs.

- On the other hand, the universities with the lowest exposure to a downturn in international student revenue have either delayed employment savings initiatives or determined that at this time savings initiatives are not required.
- With the exception of ANU and James Cook, the only universities which have achieved staff approval to enterprise agreement variations have done so by first securing union support of the proposed package of changes to employment conditions. In almost all cases, staff-supported changes give greater prominence to short-term changes to employment conditions and so may not facilitate a more strategic re-alignment of revenue streams and employment arrangements to reflect a post-pandemic 'new normal'.
- A very small number of universities appear to have confidence that they have appropriate settings and contingencies in place to weather the COVID-19 impact without major reductions in employment costs.
- Very few universities appear to have made provision for casual or fixed term staff in their employment reduction packages under negotiation with unions and staff. This suggests that separate measures are being taken to reduce costs in these employment categories. It also indicates relatively low priority among unions and staff representatives for the interests of those most affected by the casualisation of higher education employment.

It is also apparent that the extent of the income loss and the size and resourcing of the university is not the sole determinant in how universities have responded. Clearly other factors have come into play, including:

- **Leadership** - The capacity of university leaders to articulate a clear way forward with a longer-term vision, and engender the confidence of students, staff, governing council and external stakeholders.
- **Level of staff engagement and communication, and relationship with the unions** - With the failure of the Jobs Protection Framework to be adopted across the sector and facing local union member criticism, universities have had to rely on their local ability to persuade, negotiate and engage with staff and unions for any enterprise agreement changes. So far, only ANU and James Cook have been able to win a staff vote to amend enterprise agreement conditions without union support. As a sector, despite reported low levels of union membership, staff appear to be listening to their union representatives when a case is being made for changes to terms and conditions.
- **Speed of response –** For some universities, the speed with which they could act by adopting a response broadly consistent with the Jobs Protection Framework relative to the pace at which more complex bespoke negotiations might occur at the institutional level, seems to have been an important additional consideration.
- **Previous changes** - The nature and outcome of previous changes, change fatigue, and the amount of academic and professional staff productivity increases realised as a result of recent organisational changes appear to have diminished the need for some universities to make harder cuts this year or left little scope for further reduction of employment costs. This may have reduced the institutional appetite for a further round of major restructuring.
- **The extent to which governing councils and university leadership have adopted a strategic approach to managing the response to the pandemic** - Some universities appear to have taken a 'cut hard and early' approach. For others, it appears to be about 'not letting a good crisis go to waste'. On the other hand, some universities appear to be more focused on mitigating the present financial losses, with annual leave buyouts or the use of future surplus funds running the risk of deferring costs to subsequent years. Others are adopting a wait and see approach in anticipation that the financial impact may not be as bad over the longer term or that other government initiatives may offer alternative revenue growth. In general, those universities which have secured enterprise agreement variations with union support have opted for shorter term solutions which may have the potential to constrain the capacity for strategic change.
- **Other government policy initiatives** - At a time when universities have been largely occupied with responding to the financial impact of the global pandemic, the Australian Government has introduced its Job-ready Graduates reform package which if passed by the Parliament along the lines currently

[20] RMIT, UNSW, Melbourne, UTS, Macquarie, Deakin

proposed will provide for the restoration of indexation of government teaching grants, provide for additional funded domestic places and re-align funding rates that universities receive for teaching domestic students. Some universities may perceive funding opportunities from these and associated changes that might obviate the need for some immediate cost-reduction measures.

- **The geographic location of the university** - In some cases, the broader impact on regional communities, when combined with the possibility of further availability of Government funding may influence individual institutional responses. In addition, the impact of the pandemic on institutional operations and confidence varies significantly from state to state.
- **Financial position** - The extent of underlying and systemic financial issues preceding the pandemic, which have been exacerbated by the pandemic, is clearly a key driver for some universities. It is apparent that for some, COVID-19 has acted as a tipping point for what has for some time been a deeper financial structural issue. This may apply also to universities with relatively large levels of reserves and investments but also with a high level of committed expenditure against those funds.
- **Non-salary savings** - Combined with expectations to achieve alternative revenue growth, the ability of universities to make savings through means other than permanent staff salary savings, such as cuts to casual and fixed term salaries, infrastructure projects, sale of assets, cessation of travel, procurement, and organisational efficiency improvements has been an obvious driver of the pandemic response strategy.
- **Leadership change** - At least 10 universities are in transition with new or interim vice-chancellor appointments in 2020 or 2021. It is possible from what is on the public record that leadership transition may have deferred part of the response to the pandemic, particularly in the more challenging area of employment management.

Manifestly, each university has 'gone it alone' in its approach to managing the cost downturn. Time will tell if some form of national approach was an opportunity missed.

7. Challenges and opportunities for recovery and renewal phases

7.1 What are the risks with the current cost containment strategies?

Australian universities have proven their resilience and capacity to adapt to change both before and since the establishment of the Unified National System some 30 years ago. Undoubtedly, they will continue to evolve and emerge as different institutions after the current pandemic. While we recognise the immediate imperative that has driven universities to reduce staff numbers, we see some risks associated with a COVID-19 response that focuses on widespread staff reductions. These include:

- **The impact on current and future domestic students** - Widespread reduction in casual employment in higher education will both create short term academic work force shortages and impact the skilling of the future national workforce. Currently there are insufficient continuing and fixed term staff to teach domestic students in the disciplines of science, architecture, health and education (Baré, Beard and Tjia, 2020[21]).

- **Impact on current continuing academic staff and research productivity -** Reductions in casual employment will place greater pressure on existing staff to dedicate more time to teaching and less to research, thus impacting research capacity. This will reduce research output and contribute to a decline in the overall standing of Australian university research.

- **Inability to teach expanded numbers of domestic students with reduced staff numbers** - Although there will be a decline in international students, some universities are reporting demand for domestic university places in Semester 2 2020 is significantly higher than normal. A forecast decline in employment opportunities especially for younger Australians is likely to increase pressure on universities in 2021 to increase enrolments beyond the capped 2020 level. Across the board, voluntary redundancy programs are likely to give rise to academic staff shortages in some discipline areas and a

[21] Baré, E., Beard, J. and Tjia, T. (2020). Does the extent of casualisation of the Australian academic workforce provide flexibility to beat the COVID-19 hit? Insights, Melbourne Centre for the Study of Higher Education. *https://melbourne-cshe.unimelb.edu.au/lh-martin-institute#news-and-insights*

loss of experienced leadership. This will result in a possible decline in the quality of programs or a reduced capacity to absorb the increased demand for places.

- **Diminished capacity to reconfigure and rebuild to be effective in the post COVID-19 world** - Continual redundancy rounds and 'death by a 1000 cuts' – an undesirable outcome of many 'bottom up' voluntary redundancy processes – are essentially tactical rather than strategy-led initiatives. They lead to diminished institutional capability at a time when there is a need for whole of higher education rethinking i.e. an approach with a greater focus on evidence-based targeted cost reductions, investment in and development of new growth opportunities, business process improvements, and an enhanced digital learning and student experience. To be successful, each of these requires purposeful, systematic and consistent staff engagement.

- **Diminished international market position** – Should universities be unable to maintain current levels of academic commitment to research they will risk a slide in world rankings. This, in turn, impacts the attractiveness of Australian universities to international students. In any event, given the disruption to international student programs in 2020 and likely increase in global competition for international students, universities will need to devote additional expert staff resources to reconnect with and attract international students and create an outstanding student experience in a mixed on-campus and digital mode of delivery.

- **Loss of intellectual capital from the professional staff workforce** – Significant reductions in employment expenditure can often result in disproportionate losses in professional staff. Where this occurs, the loss of professional expertise can have a major impact on the development, re-building and re-orienting of universities, for example:

    - Institutional memory loss leading to reinvention of the wheel.
    - Management capacity specific to the fundamentals of running a large educational corporation.
    - Technology and organisational systems capacity to exploit and further develop the changed environment, including in areas of IT.
    - Expertise to develop and implement simplified business practices across the university.
    - The need to minimise the transfer of basic but essential administrative work to the academic workforce.

7.2 The emerging longer-term workforce challenges for Australian universities

As universities look beyond the immediate response phase of the past six months, to recovery and renewal phases for 2021 and beyond, they will need to have regard to changing circumstances. All universities will be rethinking their strategic plans and considering how to adjust their workforce plans and educational and research programs in light of the 'new normal'. Ten emerging challenges and opportunities expected to impact on university employment practices are:

i. **An overall need for greater focus, differentiation and purpose** for academic programs, and industry and community partnerships. Continuity and new capabilities will be required, including to take account of a renewed government expectation on industry engagement. There may be a diversification away from three-year bachelor degrees as the default offering, and a greater focus on lifelong learning, including reskilling graduates.
ii. **Maintaining institutional research capabilities** will become a significant challenge, given the extent that university research relies on international fee revenue and other non-Australian government revenue streams. Funding uncertainty risks the career paths for early stage researchers and exacerbates the use of fixed term and casual engagements.
iii. **Blended and on-line learning** will become a more prevalent style requiring new materials, new modes of pedagogy and instruction and different sets of skills for academic staff.
iv. **Enhancing student experience** in a mixed-mode setting, comprising both face to face and online engagement, requiring a renewed focus for digitally expert professional staff able to provide responsive services for student wellbeing, campus and student life, and graduate employability.
v. **Campus-based teaching infrastructure** may be reduced or, at a minimum, substantially reconfigured, with an increased focus on modification of existing facilities rather than new learning and teaching

related capital works. The workforce expectations for facilities and asset management will significantly evolve.

vi. **Changes in student demand** may occur. This may potentially arise as a response to the financial incentives that government is making in support of national priority disciplines e.g. science, engineering, nursing, allied health and teaching. If that occurs, other disciplines, particularly in the humanities and social sciences, may face demand challenges, giving rise to employment uncertainties. Student demand patterns may also vary between universities as a result of the increased flexibility universities will have under the Job-ready Graduates legislation to vary their intakes and student profiles. This may have an unplanned cascading effect on student demand at other universities.

vii. **The return of international students** is likely to be slow. Re-stablishing previous or building new markets will be costly and time-consuming. Fee revenue margins may be lower than previously, placing cost pressures on other activities. On the other hand, demand from domestic students for undergraduate and post graduate coursework programs may increase because of the forecast extent of unemployment. Furthermore, recent announcements indicate governments and universities are focused on bringing back international students as soon as possible, such as pilot programs aimed to fly back international students into certain states and territories in the next few months[22]. There is likely to be greater uncertainty and lower levels of overall funding, both factors that will potentially disrupt longer term employment arrangements.

viii. **Demand for life-long learning, digital education and training** will increasingly challenge traditional academic offerings and encourage the development of different types of education and credentials, for example, a series of micro-credentials or credentialled learning specifically tailored to employment requirements.

ix. **Flexible and distributed work arrangements and working conditions** may require different styles of management, communication, policies and processes, as well as office and IT infrastructure. The COVID-19 working from home experience is likely to be reflected in future employment practices for both academic and professional staff.

x. **The fundamental inequity of the current employment structure,** with a core of well-paid and protected permanent staff, coupled with high levels of staff on contingent or casual contracts, the latter undertaking the majority of undergraduate teaching and front line professional services delivery, may result in tighter industrial constraints on university employment practices.

The responses to the significant financial challenges so far have drawn on familiar strategies, mostly within the constraints of enterprise agreements, including untargeted voluntary redundancies, deferring costs or relying on staff good will to change their working conditions. Many things in universities have changed over the past 20 years but, in general, teaching and administrative processes and systems, though automated, digitised and facilitated by IT, have remain largely unchanged from a campus-based teaching model of three or four year undergraduate degrees followed by coursework and research postgraduate courses. COVID-19 has placed new strains on students, staff and the nature of work in universities. It is appropriate, if not essential, that universities consider now whether returning to the *status quo ante* in workplace relations is the best future course.

7.3 Some questions for the future

The sudden disruption of COVID-19 has laid bare some of the known and underlying flaws in the current systems of employment in universities. Over the past three decades, as universities have grown into large, multi-million or multi-billion-dollar enterprises, they have adopted contemporary ways of working throughout much of the organisation, adjusting to the impact of digitisation and the increasingly collaborative focus of education and research. Is it time to question whether the current employment frameworks, largely unchanged since the more static higher education environment of the 1990s, are fit for purpose.

For example, the rigid rules around engagement of fixed term staff for teaching were based on an earlier assumption that student demand was not variable, resulting in the use by universities of casuals as a means

[22] International student flights to Australia to restart in September. Sydney Morning Herald 16 August 2020. *https://www.smh.com.au/politics/federal/international-student-flights-to-australia-to-restart-in-september-20200816-p55m8t.html*

of retaining flexibility, and the multiple processes around academic unsatisfactory performance provisions. High levels of protection and job security for academic staff with continuing appointments creates further disincentives for universities to make such appointments without guaranteed certainty of long-term funding.

Another significant change involves administrative staff who historically were seen as the 'servants of the university' but are now more clearly recognised as essential professional partners in the academic endeavours of the university. Moreover, the traditional binary divide between academic and professional staff structures does not recognise the significant contribution that highly skilled professionals make to the development and delivery of new modes of pedagogy and research. These include essential expertise in student experience, digital infrastructure and educational design as well as skills in marketing, fundraising, planning and business analytics functions; there is an emerging range of new highly skilled professional staff roles specific to education, such as curriculum and digital learning developers, which require a blend of technical and academic skills (known as 'third space' roles[23]).

As universities require flexibility and agility to be able to respond better and faster to emerging demands and any new crisis, we propose it is time to explore potential areas of workforce reform which includes:

- A fundamental review of the nature of academic casual employment and the basis of the work required, its organisation and payment structure.
- A review of the rules relating to fixed term employment to reduce reliance on casual employment.
- New structures for the engagement of contingent staff.
- A review of workload management systems which create high levels of regulation of academic work.
- The alignment of academic redundancy provisions to industry and community norms.
- The nature of engagement, recognition, career progression and reward of professional staff, particularly those whose skills increasingly underpin core teaching and research activities.

These areas of potential workforce reform will be the subject of a separate paper.

8. Conclusion

Universities have a significant role in the national and global COVID-19 recovery, contributing to the re-skilling of workers and employment growth, providing educational opportunities for school leavers, researching medical innovations such as COVID-19 treatments and vaccines and collaborating on the creation of new industries and jobs.

In the past six months, individual universities have embarked on immediate responses to the COVID-19 financial shock and acted systematically to reduce costs and, with a few exceptions, cautiously in reducing continuing staff numbers, while shedding casual and fixed term staff. All institutions have accelerated digital delivery and operations. They have continued with learning and teaching, research and innovation, community and industry engagement, and converted to virtual open days and making offers while campuses remain closed, borders remain shut and the general understanding is that international travel is restricted to at least mid-2021. The economic impact of COVID-19 varies between states and this is reflected in the circumstances each university confronts. The State of Victoria's hard lockdown and economic impact is extended towards the end of 2020, while Western Australia has returned to relative freedom and is experiencing a strong economy with its state borders remaining closed. Victorian and Western Australian universities are operationally in markedly different positions.

Universities are now turning their focus on the future state and strategic transformation. Now may be the best opportunity to address some long-standing workforce framework issues which hamper nimbleness and flexibility or are no longer fit for purpose in order to more accurately reflect the nature and demands of work in higher education.

At this time of major reduction in revenue, Universities face a difficult balancing act to avoid cutting staff numbers so deeply that they lose the capacity to address a significant portfolio of changed circumstances that

[23] Whitchurch, C. (2008b). Shifting Identities and Blurring Boundaries: the Emergence of Third Space Professionals in UK Higher Education. *Higher Education Quarterly, 62*(4), 377–396. DOI: 10.1111/j.1468-2273.2008.00387

will require an even greater emphasis on innovation, conducting research and developing graduates in preparation for their vital contribution to a future prosperous Australia.

To date, universities have each responded individually to the workforce challenges they face. This is logical and appropriate. However, some of the underlying issues appear to be systemic and structural in nature. They raise questions about the nature of academic and university work in a contemporary university, the most effective employment structures to provide rewarding and satisfying career paths for academic and professional staff, how new para-academic-professional digital skills might best be structured, and whether historical workplace protections remain in the best interests of staff or their employers. There may be a need for a more ambitious approach to workforce management issues if the legacy created by the pandemic is to be fully addressed. There may be a case for a whole of sector or national collaboration to tackle fundamental problems, now starkly revealed by COVID-19, which may be more than individual universities can satisfactorily resolve acting alone.

Attachment 1: Summary of Australian Public Universities* by International Student Revenue and Workplace Relations Approach to Responding to COVID-19

	Approach 1 Response Under Consideration or Unknown		Approach 2 University Enterprise Agreement Variation Supported by Staff		Approach 3 Management-led Approach Within Existing Enterprise Agreement	
Group A[24] **Universities with international student fee revenue of greater than $500m**	2	Sydney~ Queensland~	1	Monash	3	RMIT[0] UNSW Melbourne
Group B **Universities with international student revenue of $200-$500m**			4	Adelaide~ La Trobe[0] ANU QUT	3	UTS Macquarie Deakin
Group C **Universities with international student fee revenue of $100-200m**	4	Federation~ Edith Cowan South Aust Curtin~^	4	Wollongong~ Western Sydney Tasmania Western Australia~	6	Central Qld Charles Sturt~ Swinburne~ Victoria^[0]~ Griffith Newcastle
Group D **Universities with international student fee revenue of less than $100m**	4	Murdoch^ Flinders Southern Qld Charles Darwin~	1	James Cook	5	Southern Cross~ Canberra~ Sunshine Coast~ ACU~ New England
Total of 37 public universities	**10**		**10**		**17**	

Notes:
* Full names of universities are listed in **Attachment 2**
[0] Universities have moved in revenue group based on 2019 Annual Report compared to 2018 information
^ *Universities* planning a staff vote to vary enterprise agreement to manage salary costs
~ Universities with vice-chancellor transition in 2020 or 2021

[24] The grouping of universities according to international student fee revenue is that adopted in the paper: Marshman, I. and Larkins, F. (2020). Modelling Individual Australian Universities Resilience in Managing Overseas Student Revenue Losses from the COVID-19 Pandemic. Insights, Melbourne Centre for the Study of Higher Education. *https://melbourne-cshe.unimelb.edu.au/lh-martin-institute#news-and-insights*

Attachment 2: University Responses to COVID-19 Financial Impact[1] – as at 25 September 2020

	Revenue		Reported Financial Impact		Reported Job Losses		Measures Being Adopted to Save Job Losses				
University	**2019 International Student Fee Revenue**	**2019 Total Revenue**	**2020 Financial Impact**	**Longer Term Financial Impact**	**Announced Job Losses and Jobs Saved**	**Agreement with Staff on Enterprise Agreement Changes**	**Vice-Chancellor and Senior Exec Pay Cuts**	**Pay Increase Deferral**	**Leave Balance Reduction**	**Leave Purchase**	**Increment Deferral/No Leave loading**
Universities with International Student Revenue greater than $500m[2]											
Approach 1 - Response under consideration or unknown											
University of Sydney (Sydney)	$1,062m	$2,740m	$200 - $470m	Not available	Preliminary discussion on voluntary redundancy program. Union indicate min 100 jobs to few hundred loss. $45m saving from cutting staff costs	Proposal to go to staff vote under consideration	✓ 20%				
University of Queensland (Queensland)	$679m	$2,088m	$240m	Not available	Voluntary separation scheme to be announced	Not known	✓ 20%				Staff to take 3 additional leave days between Xmas & NY
Approach 2 - University enterprise agreement variation supported by staff											
Monash University (Monash)	$1,004m	$2,799m	$350m	Not available	277 redundancies and 190 saved through EA changes	✓	✓ 20%	✓	✓ 30-day max	✓ Optional 5-day	✓ Freeze increment
Approach 3 - Management-led approach within the existing EBA											
RMIT University (RMIT)	$522m	$1,380m	$175m	$300m over two years	355 voluntary redundancies. Further up to 250 involuntary redundancies foreshadowed. Potential total: 605 job losses	Not applicable	✓ 20% VC & VC senior exec 10% pay cut for senior leaders or reduced hours (optional)				

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	Revenue		Reported Financial Impact		Reported Job Losses		Measures Being Adopted to Save Job Losses				
University	**2019 International Student Fee Revenue**	**2019 Total Revenue**	**2020 Financial Impact**	**Longer Term Financial Impact**	**Announced Job Losses and Jobs Saved**	**Agreement with Staff on Enterprise Agreement Changes**	**Vice-Chancellor and Senior Exec Pay Cuts**	**Pay Increase Deferral**	**Leave Balance Reduction**	**Leave Purchase**	**Increment Deferral/No Leave loading**
University of New South Wales (UNSW)	$768m	$2,334m	$400m	$370m in 2021	493 redundancies ($36M voluntary redundancy, 256 FTE involuntary redundancy)	Not applicable	✓ 20%				
University of Melbourne (Melbourne)	$905m	$2,882m	$350m	$1b	450 FTE redundancies	✗ Voted no	✓ 20%				
Universities with International Student Revenue $200-500m[2]											
Approach 2 - University enterprise agreement variation supported by staff											
University of Adelaide (Adelaide)	$254m	$972m	$100m	$225m	200 FTE job loss 200 FTE saved through EBA changes	✓	✓ 20%	✓ To July 2021		✓ 15-day	✓ End leave loading
Australian National University (ANU)[3]	$320m	$1,339m	$225m	$600m	465 jobs 250 voluntary redundancies and a further 215 positions by natural attrition and voluntary redundancies. Defer pay rise has saved 90 positions ($13.5m)	✓	✓ 20% VC 10% senior management second half 2020	✓			
La Trobe University (La Trobe)	$201m	$867m	Approx. $63m	$400-520m	Round 1: 160 FTE Round 2: 190 jobs Total up to 415 full time losses 225 jobs saved though EA changes	✓	✓ 20%	✓			

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	Revenue		Reported Financial Impact		Reported Job Losses		Measures Being Adopted to Save Job Losses				
University	**2019 International Student Fee Revenue**	**2019 Total Revenue**	**2020 Financial Impact**	**Longer Term Financial Impact**	**Announced Job Losses and Jobs Saved**	**Agreement with Staff on Enterprise Agreement Changes**	**Vice-Chancellor and Senior Exec Pay Cuts**	**Pay Increase Deferral**	**Leave Balance Reduction**	**Leave Purchase**	**Increment Deferral/No Leave loading**
Queensland University of Technology (QUT)	$245m	$1,161m	$100m	Not available	No involuntary redundancies before July 2021	✓	✓ Scale TBC	✓ To Dec 2021	✓ Mandatory leave over Christmas and New Year period		✓ End leave loading
Approach 3 - Management-led approach within the existing EBA											
University of Technology Sydney (UTS)	$475m	$1,098m	$50-60m	$200m plus	Up to 500 jobs. Voluntary redundancies with other measures to follow	Not applicable	✓ 25% VC donated to student and staff hardship fund		✓ Concerted effort to reduce		
Macquarie University (Macquarie)	$322m	$1,025m	$70m	$250-340m $150m in 2021 and almost $200m in 2022	$120m in staff cuts. Voluntary redundancies to be followed by involuntary redundancies if necessary	Not applicable					
Deakin University (Deakin)	$412m	$1,321m	Up to $110m	$250-300m by end 2021	Reduce 300 positions and leave 100 empty positions unfilled	Not applicable	✓ 25% VC & $4K/month donation to student fund. No cuts for other Senior Exec				
Universities with International Student Revenue $100-200m[2]											
Approach 1 - Response under consideration or unknown											
Federation University (Federation)	$183m	$408m	N/A	Not available	Not available	Not known	✓ 10% VC				

Attachment 2: University Responses to COVID-19 Financial Impact – as at 25 September 2020

	Revenue		Reported Financial Impact		Reported Job Losses		Measures Being Adopted to Save Job Losses				
University	**2019 International Student Fee Revenue**	**2019 Total Revenue**	**2020 Financial Impact**	**Longer Term Financial Impact**	**Announced Job Losses and Jobs Saved**	**Agreement with Staff on Enterprise Agreement Changes**	**Vice-Chancellor and Senior Exec Pay Cuts**	**Pay Increase Deferral**	**Leave Balance Reduction**	**Leave Purchase**	**Increment Deferral/No Leave loading**
Edith Cowan University (Edith Cowan)	$117m	$482m	$41m[4]	$132m[4]	Not available	Not known					
University of South Australia (South Australia)	$147m	$685m	$30m	$30-$120m	Maintain existing staff levels	Not applicable	✓ 20% VC 10% senior staff				
Curtin University (Curtin)	$166m	$969m	$60m	$214m	Proposed $30m salary savings or approx. 200 staff reduced through voluntary or involuntary redundancies	Proposal to go to staff vote under consideration	✓ 10% Suspension of bonus payments	✓ Under consideration	✓ Staff encouraged to reduce leave balance. Compulsory leave TBC.		
Approach 2 - University enterprise agreement variation supported by staff											
University of Wollongong (Wollongong)	$180m	$691m	$90m	Not available	No involuntary redundancies before April 2021. Up to 200 FTE reduction and 150 jobs saved through EA changes	✓	✓ 20% VC 20% Executive reduction: 10% donation to university fund, 10% pay cut. For 12 months	✓ 2021 pay rise deferred to 2022		✓	✓ Work flexibility
Western Sydney University (Western Sydney)	$165m	$906m	$75m	Not available	Salary savings measures stated to have obviated need for job losses in 2020 No reduction to academic casual budget in 2020 and prioritise allocation of	✓	✓ 20% VC		✓ 3 additional shut down days: total 7 days	✓	

Attachment 2: University Responses to COVID-19 Financial Impact – as at 25 September 2020

	Revenue		Reported Financial Impact		Reported Job Losses		Measures Being Adopted to Save Job Losses				
University	**2019 International Student Fee Revenue**	**2019 Total Revenue**	**2020 Financial Impact**	**Longer Term Financial Impact**	**Announced Job Losses and Jobs Saved**	**Agreement with Staff on Enterprise Agreement Changes**	**Vice-Chancellor and Senior Exec Pay Cuts**	**Pay Increase Deferral**	**Leave Balance Reduction**	**Leave Purchase**	**Increment Deferral/No Leave loading**
					casual work to long term casuals.						
University of Tasmania (Tasmania)	$140m	$769m	$30-34m	$130m	50 voluntary redundancies and early retirements	✓		✓			✓ Reduced time fraction option. Promotion pay increased deferred.
University of Western Australia (Western Australia)	$151m	$1,058m	$64m	$199m	Measures taken said to have saved 230 positions	✓	✓ 20% VC	✓		✓ 19-day	✓ No Xmas loading
Approach 3 - Management-led approach within the existing EBA											
Central Queensland University (Central Qld)	$176m	$487m	$116m	$55m annually	197 voluntary redundancies plus 100 further projected	✗	✓ 20% Pay freeze for senior managers				
Charles Sturt University (Charles Sturt)	$154m	$617m	$80m	Not available	Up to 150 positions (35 currently unfilled)	N/A Not applicable	✓ 10% VC, Executive and Council (for 6 months)				
Swinburne University (Swinburne)	$169m	$739m	$51m	$152m to 2022	Not available	Not applicable	✓ 30%				✓ Voluntary 9-day fortnight, with day 10 being 'contribution leave' proposed

Attachment 2: University Responses to COVID-19 Financial Impact – as at 25 September 2020

	Revenue		Reported Financial Impact		Reported Job Losses		Measures Being Adopted to Save Job Losses				
University	**2019 International Student Fee Revenue**	**2019 Total Revenue**	**2020 Financial Impact**	**Longer Term Financial Impact**	**Announced Job Losses and Jobs Saved**	**Agreement with Staff on Enterprise Agreement Changes**	**Vice-Chancellor and Senior Exec Pay Cuts**	**Pay Increase Deferral**	**Leave Balance Reduction**	**Leave Purchase**	**Increment Deferral/No Leave loading**
Victoria University (Victoria)	$107m	$484m	$50m	$70m through to end 2021	190 FTE redundancies	No staff vote taken	✓ 10% Some directed to student fund				
Griffith University (Griffith)	$194m	$1,031m	$100m	Not available	300 jobs	✗	✓ 20% Plus pay freeze				
Newcastle	$122m	$834m	$58m	Not available	At least 120 jobs	Vote deferred	✓ VC salary sacrifice $25K	Under consideration			
Universities with International Student Revenue less than $100m[2]											
Approach 1 - Response under consideration or unknown											
Murdoch University (Murdoch)	$84m	$395mm	$23m[4]	$76-119m[4]	$25 million of salary savings. Union says 200 jobs loss	Proposal to go to staff vote under consideration	✓ Pay increases for 2020 forgone, with $500 payment for low paid staff and casuals, under consideration		✓ Reduce leave balances		✓ Senior staff salary freeze No Step progression and no annual leaving loading under consideration
Flinders University (Flinders)	$99m	$528m	$54m	$120m	Unknown		✓ VC salary sacrifice $100K	✓ Not being considered	✓ Reduction of excess leave balances		
Southern Queensland (Southern Qld)	$48m	$327m	$18 million[4]	$59-93 million[4]	Unknown	Not known	✓ No pay increase for VC				

Attachment 2: University Responses to COVID-19 Financial Impact – as at 25 September 2020

	Revenue		Reported Financial Impact		Reported Job Losses		Measures Being Adopted to Save Job Losses				
University	**2019 International Student Fee Revenue**	**2019 Total Revenue**	**2020 Financial Impact**	**Longer Term Financial Impact**	**Announced Job Losses and Jobs Saved**	**Agreement with Staff on Enterprise Agreement Changes**	**Vice-Chancellor and Senior Exec Pay Cuts**	**Pay Increase Deferral**	**Leave Balance Reduction**	**Leave Purchase**	**Increment Deferral/No Leave loading**
Charles Darwin University (Charles Darwin)	$38m	$271m	$20-30m	Not available	100 positions	Not applicable	✓ 20% VC plus 5% for student fund. 10% - 15% senior leadership. For 3 months	✓ Under consideration	✓ Under consideration		✓ Under consideration
Approach 2 - University enterprise agreement variation supported by staff											
James Cook University (James Cook)	$82m	$570m	$30-40m	Not available	Minimum 70 jobs	✔	✓ 10%VC	✔	✔ Longer Xmas close down	✔	
Approach 3 - Management-led approach within the existing EBA											
Southern Cross University (Southern Cross)	$98m	$314m	$30m	$38m over 18 moths	71 voluntary redundancies accepted. Further voluntary and involuntary redundancies foreshadowed	Vote lost					
University of Canberra (Canberra)	$76m	$314m	$33m	$60m by 2021	Foreshadowed Phase 3: redundancies	Not applicable	Undecided		✓ Phase 1 &2 Reduce leave balance: voluntary & directed	Phase 3 foreshadowed	
University of the Sunshine Coast (Sunshine Coast)	$64m	$310m	$17m	$44m 2021-22	At least 60 jobs	Not applicable					
Australian Catholic University (ACU)	$76m	$556m	$22m	$126m through to 2022	Unknown	Not applicable					

Attachment 2: University Responses to COVID-19 Financial Impact – as at 25 September 2020

	Revenue		Reported Financial Impact		Reported Job Losses		Measures Being Adopted to Save Job Losses				
University	**2019 International Student Fee Revenue**	**2019 Total Revenue**	**2020 Financial Impact**	**Longer Term Financial Impact**	**Announced Job Losses and Jobs Saved**	**Agreement with Staff on Enterprise Agreement Changes**	**Vice-Chancellor and Senior Exec Pay Cuts**	**Pay Increase Deferral**	**Leave Balance Reduction**	**Leave Purchase**	**Increment Deferral/No Leave loading**
University of New England (New England)	$28m	$341m	$25m	Not available	Up to 200 jobs	Not planned					
Australian Public University Sector	$10.0b	$36.1b	Estimated $3.8b	Estimated $6.0b	Estimated 5,600 job loss Estimated 860 jobs saved through EA changes						

Notes:

1. To inform this paper, the authors sourced information from the following: ABC News Online, Adelaide Now, The Advocate, The Age, The Australian, Australian Financial Review, The Border Mail, Campus Morning Mail (CMM), Canberra Times, The Conversation, Courier Mail, Daily Advertiser, Goulburn Post, InDaily, Launceston Examiner, The New Daily, NTEU website, Port Macquarie News, SBS News Online, Sydney Morning Herald, THE (Times Higher Education) Academic and University News, Western Advocate, The West Australian, university websites and 2019 Annual Reports (2018 for ANU)
2. The grouping of universities according to international student fee revenue is that adopted in the paper: Marshman, I. and Larkins F. (2020). Modelling Individual Australian Universities Resilience in Managing Overseas Student Revenue Losses from the COVID-19 Pandemic. Insights, Melbourne Centre for the Study of Higher Education. *https://melbourne-cshe.unimelb.edu.au/lh-martin-institute#news-and-insights*
3. ANU total and international student fee revenue is 2018 data from ANU's 2018 Annual Report (the 2019 Annual Report was not available at the time of writing)
4. Where data has not been publicly reported, the financial impact data from the Marshman and Larkins paper has been used (Note 3)