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NTEU wage claim unsustainable in face of \$2.8 billion university funding cut

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The Federal Government's announcement that universities face a \$2.8 billion funding cut in this year's Budget shows how important it is that the National Tertiary Education Union pulls back on its excessive wage claims for the university sector, according to the Australian Higher Education Industrial Association.

This bargaining round, the NTEU has:

- pursued a wage claim for university staff of 15 per cent over the three years to 2020; and
- sought superannuation payments of 17 per cent for all university staff, 7.5 percentage points higher than the community standard of 9.5 per cent.

"It's time for the NTEU to withdraw its exaggerated wage claim and to properly recognise that universities face conditions of great financial uncertainty," said Stuart Andrews, AHEIA Executive Director.

"Universities are now staring down the barrel of two successive funding reductions of 2.5% in each of 2018 and 2019. This places a significant additional financial burden on universities.

"Universities also face the prospect of having up to 7.5% of their funding withheld if they don't meet new performance expectations. This introduces a whole new level of uncertainty into universities' financial forecasting.

"The NTEU's 15 percent wage claim was always out of step with community expectations given current economic conditions. With the federal government's higher education plans now out in the open, it's time for reason to prevail and for the claim to be withdrawn.

"Likewise, universities are in no position to absorb more than \$700 million in additional costs of the NTEU's claim for higher superannuation while staring down the barrel of these \$2.8 billion in cuts.

"The events of this week have completely changed the landscape for universities, their students and their staff. All parties need to recognise this new reality," said Mr Andrews.

Contact:

Stuart Andrews | Executive Director, AHEIA
0418 512 943

The Australian Higher Education Industrial Association (AHEIA) is the employer association for the higher education sector, registered under the federal Fair Work (Registered Organisations) Act 2009.

HEAD OFFICE
Level 6
303 Collins Street
Melbourne
Victoria 3000

Tel: 03 9614 5550
Fax: 03 9614 3125

www.aheia.edu.au