

28 March 2025

Senate Education and Employment Legislation Committee

Inquiry into the Tertiary Education Legislation Amendment (There For Education, Not Profit) Bill 2025)

Dear Committee

Submission to the inquiry into the Tertiary Education Legislation Amendment (There For Education, Not Profit) Bill 2025

I write on behalf of Australia's comprehensive universities, all of which offer high-quality teaching and research experiences. The 39 universities I represent collectively educate close to one and a half million students each year and they employ around 137,000 staff. They are large organisations led by highly skilled and experienced vice-chancellors whose salaries are set by university councils (represented by the University Chancellors Council) and are thoroughly benchmarked.

Universities are critical to Australia's growth and prosperity, but they are seriously underfunded at a time when our sector is being asked to do more heavy lifting to prepare us for the future. Student funding arrangements are inadequate, government investment in research has never been lower and universities no longer receive dedicated infrastructure funding.

With this being our reality, it is a shame that I am writing to the committee on the topic of vice-chancellor salaries. This is yet another example of our sector being weaponised for political gain, and yet another distraction from the conversations we need to have about funding universities properly for the good of the nation. This inquiry comes after we lost most of last year to the war on international students and their mythical contribution to the housing crisis.

Under challenging circumstances, vice-chancellors are expected to be scaling up operations at universities to meet the country's future skills and economic needs. Let me be very clear, this is not an exercise in self-interest. The Government needs universities to educate a million extra students each year by 2050, but our institutions can't grow in line with Australia's growing need for skills and research under current conditions.

Our sector is being asked to do more with less, and it has been for some time. And now, the same is being asked of vice-chancellors. I encourage the committee to consider if this is fair and reasonable.

Vice-chancellors lead major organisations that underpin local economies, support tens of thousands of jobs, educate tens of thousands of students and generate private revenue streams which are reinvested in support of Australian employment, education and research. I don't believe their salaries should be the focus of parliamentarians, certainly not at the expense of the policies and funding needed to keep our universities strong.

I also don't think it is fair to compare the salaries of Australian vice-chancellors with their overseas counterparts, as there is a habit of doing. The comparisons I have seen, in the media and elsewhere, suggest our vice-chancellors aren't worth their weight because the institutions they lead lack the prestige of or trail their international competitors in the delivery of world-changing knowledge and technologies.

Australia's universities are world-class. Our status as a leading provider of international education proves this, as does our strong track record in research and development. We punch above our weight in this endeavour, producing three per cent of the world's research despite only having 0.3 per cent of the global population. Vice-chancellors help enable this.

Finally, I would like to point out a misconception in the title of the bill at the centre of this inquiry. Universities are not-for-profit. Every dollar they make is reinvested back into teaching and research activities, the beneficiaries of which are all Australians because all Australians benefit from a larger economy and a higher standard of living, and that's what our universities deliver.

Vice-chancellor salaries are not one of the bigger issues facing universities or our nation. They should not serve as a distraction from the major policy and funding discussions that we need our policy and decision makers to prioritise.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Luke Sheehy', written in a cursive style.

Luke Sheehy
Chief Executive Officer, Universities Australia