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Battered Melbourne Uni slashes 220 jobs

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MELBOURNE University will slash 220 full-time academic and administrative staff because its financial position has taken a battering in the economic crisis.

In an email to staff, vice-chancellor Glyn Davis said the crisis had devastated investment returns and a so-called “economic response program” would result in 50 academic and 50 administrative staff taking voluntary redundancies.

Another 120 jobs would go in restrictions on contract renewal, a freeze on hiring, and attrition.

Several faculties, including medicine, the Victorian College of the Arts and Music, land and environment, and economics and commerce needed to cut costs or revamp their structures to remain in the black, Professor Davis said.

A \$30 million shortfall had been identified and the university had discussed targets with faculty heads but would not reveal these, he said.

Shocked staff said the job losses were unexpected and philosopher Peter Singer, who divided his time between Melbourne University and Princeton, warned the cuts would make it difficult for Melbourne to live up to its ambitions as an international institution.

“Staff get told the budget is tight, they make cuts, and then the budget gets tighter still,” he said. “If Australia wants a great uni system — as it had in the past — something pretty drastic needs to be done.”

Senior vice-principal Ian Marshman said the crisis had hit Melbourne University hard because it had the largest endowment of any Australian institution.

From 2005 to 2007, the endowment brought in about \$100 million a year, but last year the university lost about \$191 million in the financial crisis. The university expects a return of about \$40 million in the next three years. The voluntary redundancies are expected to cost the university about \$15 million.

The jobs cuts follow a tumultuous two years for the university’s arts faculty, which lost about 65 staff.

Last week a confidential internal report called for a 35 per cent cut in staff salaries at the renowned school of historical studies, and this month the university’s philosophers banded together to decry the loss of academic staff that had resulted in the philosophy school slipping in world rankings.

The university said yesterday the Rudd Government’s abolishment of domestic undergraduate full-fee places last year would cost the university \$30 million a year. Melbourne had the largest group of full-fee-paying undergraduates in Australia.

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Professor Davis pointed to the decline, in real terms, of Commonwealth funding, and cost of voluntary student unionism, as reasons for a drop in investment revenue.

National Tertiary Education Union branch president Ted Clark said he was shocked the university had announced outrageous job cuts in an enterprise bargaining period.

The redundancies were unsustainable and the relationship between staff salaries and the financial crisis was unclear, Mr Clark said.

“As a public university our staff are funded from the recurrent budget; we’ve never had a relationship with the rises and falls of the stockmarket as to how we employ staff.”

The university will consult staff at a meeting today.

This story was found at: <http://www.theage.com.au/national/education/battered-melbourne-uni-slashes-220-jobs-20090728-e075.html>