

La Trobe cutbacks alarm staff

- **Farrah Tomazin**
- May 21, 2008

LA TROBE University will stop hiring non-academic staff, force senior executives to fly economy class and slash administrative spending in an emergency bid to lift itself from financial despair.

Staff at the Bundoora university fear job losses are imminent as the institution moves to "regenerate" and become more competitive.

Vice-chancellor Paul Johnson yesterday warned that La Trobe had an "inadequate financial foundation" to advance properly over the next decade.

The university will spend the next 18 months reviewing, and "where appropriate" restructuring, academic, administrative and committee areas in a bid to boost revenue for teaching and research.

Spending on administrative functions such as human resources and financing will be cut by 12% by the end of the year, and the university curriculum will be revamped with a focus on teaching.

Hiring of non-academic staff will be frozen as the university invests in at least 17 new academic positions this year.

The changes come after a period of financial difficulty at La Trobe, which had an operating deficit of \$7.4 million in 2006, and a surplus of only \$1.46 million — or 0.3% of total income — last year.

"We need to act now to reduce La Trobe's costs and to grow revenue," Professor Johnson wrote in a paper outlining the changes to staff yesterday. "Change in the core academic activities of the university must be planned and implemented with a clear sense of urgency."

Other changes include:

- Reducing the university car fleet from 130 to 80 vehicles to generate a one-off saving of almost \$1 million and a further \$144,000 in subsequent years.
- Suspending overseas graduation ceremonies, which last year cost \$271,000 and 186 days of lost time.
- The creation of new research institutes to make the university more competitive.
- Changes to staff roles in a bid to make them more efficient.
- Making all staff travel in economy class when flying overseas.

In a discussion paper last year, Professor Johnson painted a picture of a university in steady decline: fewer people wanting a La Trobe degree, falling entrance marks, below-par scores on student satisfaction surveys and a dwindling proportion of national research funding.

Staff fear the changes will pave the way for job losses. "The only purpose for the exercise is to ensure that we are leaner than we are now," said Bill Deller, La Trobe's National Tertiary Education Union president. He said the university community was paying the price for decades of poor management.

Professor Johnson said an immediate rethink was needed on how the university delivered its core teaching and research activities.

"If we are to avoid a continuing cycle of cost-cutting we will need to increase revenue, and this can be done only by increasing tuition fee income and by increasing research income," he said.

Professor Johnson — the former deputy director of the prestigious London School of Economics — took over at La Trobe in April last year.

His appointment followed the controversial tenure of vice-chancellor Michael Osborne. Professor Osborne resigned in 2006 following revelations by *The Age* and MPs that he spent more than a third of 2003 overseas. La Trobe spent more than \$620,000 on his 32 international trips from 2003 to 2005.