# Universities in NSW and ACT face significant cuts amid international student restrictions



Universities across New South Wales (NSW) and the Australian Capital Territory (ACT) are facing significant financial challenges, with alarming budget deficits and revenue losses reported amid sweeping cuts to staff and courses. These difficulties have been exacerbated by recent government policies limiting international student enrolments, which are a vital source of income for many institutions.

The federal government initially proposed a Bill in August 2024 that would empower the Minister for Education to set caps on international student numbers, aiming to reduce national commencements from 323,000 in 2023 to 270,000. Although the Senate blocked this Bill in December 2024, the government subsequently introduced Ministerial Direction 111, which applies a “slow-go” visa processing system. This allocates student visa applications into two priority tiers, with processing slowed for applications once institutions reach 80 per cent of the proposed caps.

The 2023-2024 financial year saw a reduction of 60,000 higher education visas granted, leading to a surge in legal challenges by international students through the Administrative Review Tribunal (ART). The number of such cases rose from 2,100 in June 2023 to 25,854 by February 2025, increasing the backlog and leaving thousands of students in limbo. These developments have caused significant revenue shortfalls for universities, prompting widespread cuts.

At the University of Technology Sydney (UTS), a $100 million budget cut has been announced, alongside the elimination of 400 staff positions—250 professional and 150 academic—representing around 9 per cent of the university’s workforce. Following these measures, Provost Vicki Chen resigned. The National Tertiary Education Union (NTEU) condemned the cuts and cited “serious management failures.” NTEU UTS Branch President Sarah Attfield told Honi Soit that “staff mental health and morale are at an all-time low,” criticising failures in transparency and consultation.

Despite these cuts, UTS experienced a record intake of 3,257 international students for Semester 2 in 2025, according to the Australian Financial Review.

Macquarie University (MQ) has reported an $81 million deficit for the 2023-2024 financial year—the fourth consecutive year of deficits. The institution’s staffing ratio has become strained, with 27 students per staff member, compared to 22.6:1 at the University of Sydney. A student, who wished to remain anonymous, expressed concern to Honi Soit about the discontinuation of field trip-based courses, impacting the Bachelor of Environmental Science. MQ’s School of Natural Sciences is also likely to see its fleet of 64 vehicles halved, which could adversely affect research and teaching reliant on field trips.

MQ’s administration noted that no courses have been officially cut but acknowledged some have been omitted from current admissions listings. They stated that course reviews are routine and part of the university’s efforts to maintain innovation and quality.

The NTEU has launched petitions opposing cuts to arts courses at MQ, with the Dean of the Faculty of Arts, Chris Dixon, proposing to reduce work units from eight to five. Rumours suggest that 13 of 23 Arts majors may be discontinued as early as 2026, with isolated first-year units for all Arts and Science students.

The union attributes MQ’s financial struggles to debts of over $800 million from management decisions, including building projects and operations related to the university hospital. Proposed changes to teaching allocations and curriculum reviews also raise concerns about academic job security and research priorities.

The University of Wollongong (UOW) revealed a $35 million revenue loss for 2024 and plans to cut up to 185 non-academic jobs—around 10 per cent of its workforce. The institution aims to reduce its faculties from four to three and schools from 18 to 11, targeting $20 million in savings. UOW president of the student association, Hanzel-Jude Pador, criticised the university’s handling of budget issues, noting the juxtaposition of cuts with investments in a new campus in Riyadh, Saudi Arabia—a venture in partnership with Saudi Vision 2030. The university maintains that offshore campus revenues will support domestic financial sustainability without drawing on local funds.

Western Sydney University (WSU) faces a projected $79 million deficit in 2025-2026, a sharp increase from an earlier forecast of $6.5 million. Vice-Chancellor George Williams cited international student caps, competition for students, and changing student behaviour due to cost-of-living pressures as primary factors. He highlighted the social demographics at WSU, noting that two-thirds of students come from low socioeconomic backgrounds, many being first-generation university attendees. Williams has enacted leadership team reductions and salary freezes to address the budget issues.

The Australian National University (ANU) has reported a $400 million deficit and launched a restructuring plan called ‘Renew ANU’. Vice-Chancellor Genevieve Bell announced a Voluntary Separation Scheme to encourage staff departures, aiming to cut 650 jobs and reduce costs by $250 million. The number of academic schools will decrease from seven to six. Employees have responded with a vote of no confidence in senior leadership, which garnered over 95 per cent dissent from more than 800 staff participants. The NTEU and student representatives expressed strong dissatisfaction with the approach and the perceived neglect of academic priorities.

The national union has criticised governance failures nationwide, using the financial crises at these universities as examples. On 29 January 2025, the federal government announced a senate inquiry into university governance, chaired by Senator Tony Sheldon. While the NTEU hailed this as a significant campaign achievement, procedural delays have pushed the inquiry’s reporting from April to August 2025, raising concerns about timely policy interventions.

NTEU NSW Acting Secretary Stevie Howson commented to Honi Soit, “The onslaught of job cuts at universities like University of Wollongong, University of Technology Sydney, and Macquarie University is indicative of a larger crisis in our universities—this is a fundamental failure of governance.”

The future financial outlook for Australian universities remains challenging. The Coalition has proposed more stringent caps on international student numbers, with a flat 25 per cent limit at all public universities, reducing total numbers to 240,000. Peter Dutton justified this by pointing to housing availability issues. However, research from the University of South Australia found no statistical link between international students and rising rental prices. Lead researcher Michael Mu told Honi Soit that “[International students] are not the main competitors in the market… We found really no statistical relationship between international members and the housing crisis.”

International education remains a major economic sector, generating over $50 billion in 2023-2024, ranking as Australia’s fourth-largest export after iron ore, coal and natural gas. Universities Australia CEO Luke Sheehy warned that further cuts “would take a sledgehammer to one of the nation’s biggest income generators” and would not resolve housing issues but instead strain universities, particularly those outside metropolitan centres. Sheehy emphasised that Australia’s education system, built over decades, is at risk of rapid decline if international students turn to other countries.

These financial pressures and policy changes are forcing universities across NSW, the ACT, and beyond to reconfigure staffing and course offerings significantly, affecting students, staff, and the broader educational landscape.

Source: [Noah Wire Services](https://www.noahwire.com)

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