



Tertiary education – end the corporatisation of universities	
Party:	Australian Greens
Summary of proposal: The proposal would cap Vice-Chancellor salaries. The proposal would be ongoing and start from 1 July 2026.	
Additional information (based on further advice provided): Vice-Chancellor salaries would be capped at the Prime Minister's salary.	

### Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$24.7 million over the 2025-26 Budget forward estimates period (see Table 1). This reflects decreased income tax revenue due to the reduced incomes of Vice-Chancellors.

The proposal would have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

The financial implications are highly uncertain. While the Parliamentary Budget Office (PBO) has assumed full compliance due to the level of Commonwealth funding provided to universities, it has not made an assessment as to the proposed instrument that might be used to cap salaries of employees of private institutions.

The PBO has further not made any assessment of the feasibility or legal implications of executing this change by the policy start date, given the nature of current vice-chancellor employment arrangements. The PBO notes that the proposal would likely involve reducing remuneration conditions in existing contracts for affected positions, which may be challenged through the legal system. In quantifying the financial impacts of the proposal, the PBO has assumed that all legal barriers could be overcome.

Broader effects due to the policy, including impacts from any changes in universities' operations, would constitute second-round effects and cannot be quantified by the PBO.

**Table 1: Tertiary Education – End the corporatisation of universities – Financial implications (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	-7.9	-8.2	-8.6	-24.7
Underlying cash balance	-	-7.9	-8.2	-8.6	-24.7

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

- Indicates nil.

## Key assumptions

The PBO has made the following assumptions in costing this proposal:

- Vice-Chancellor salaries would increase in line with projections for growth in annualised average weekly earnings.
- All Vice-Chancellors would have private health insurance and therefore would not be liable for the Medicare levy surcharge.
- Australian resident tax rates and the Medicare levy of 2% remain static over the medium term.
- All universities would comply with the Vice-Chancellor salary cap.

## Methodology

The decrease in taxation revenue was calculated by estimating the difference in tax receipts between the current average Vice-Chancellor salary and the salary if capped at the Prime Minister's salary, multiplied by 38, the number of Vice-Chancellors.

Financial implications were rounded consistent with the PBO's rounding rules.<sup>1</sup>

## Data sources

Australian National University (2024), [ANU 2023 Annual Report](#), accessed 15 May 2025.

Australian Taxation Office (2024), [Tax rates – Australian resident | Australian Taxation Office](#), accessed 15 May 2025.

Campus Morning Mail (2022), [Accounting for vice chancellor's salaries](#), accessed 15 May 2025.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

The Mandarin (2024), [Albanese to get more pay than US president Biden](#), accessed 15 May 2025.

Study Australia (2024), [List of Australian Universities | Study Australia](#), accessed 15 May 2025.

Sydney Morning Herald (2024), [Vice-chancellor pay revealed: The university heads on \\$1 million salaries](#), accessed 15 May 2025.

University of South Australia (2024), [University of South Australia - Annual Financial Statements](#), accessed 15 May 2025.

---

<sup>1</sup> <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

## Attachment A – Tertiary Education – End the corporatisation of universities – Financial implications

**Table A1: Tertiary Education – End the corporatisation of universities – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Revenue</b>													
<i>Tax revenue</i>	-	-7.9	-8.2	-8.6	-8.9	-9.2	-9.5	-9.9	-10.2	-10.6	-11.0	-24.7	-94.0
<b>Total (excluding PDI)</b>	-	-7.9	-8.2	-8.6	-8.9	-9.2	-9.5	-9.9	-10.2	-10.6	-11.0	-24.7	-94.0

- (a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- Indicates nil.

**Table A2: Tertiary Education – End the corporatisation of universities – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)(c)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Fiscal balance</b>	-	-0.2	-0.5	-0.9	-1.4	-1.8	-2.3	-2.9	-3.5	-4.1	-4.8	-1.6	-22.4
<b>Underlying cash balance</b>	-	-0.1	-0.5	-0.8	-1.3	-1.7	-2.2	-2.7	-3.3	-3.9	-4.6	-1.4	-21.1

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>2</sup>.
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- Indicates nil.

<sup>2</sup> [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/)