

# BRIEFING TO THE INCOMING MINISTER

May 2026

## INTRODUCTION

Tēnā koe Minister Simmonds,

Congratulations on your reappointment as the Minister for Tertiary Education, including responsibility for universities and wānanga.

Te Hautū Kahurangi | Tertiary Education Union (TEU) is the largest union in the tertiary education sector, representing around 12,000 members across universities, polytechnics, wānanga, and private training establishments. Our members are the academics, researchers, tutors, librarians, technicians, and professional staff who make tertiary education work every day.

We put forward this briefing as a direct account of the state of the sector as our members experience it. The issues we raise are significant and, in a number of cases, urgent: funding has fallen behind inflation for years; staff are being cut, casualised, and stretched beyond what is sustainable; and communities that depend on their local tertiary institution are watching it weaken. Added to this, the recently published Tertiary Education Strategy does not adequately address these factors.

TEU is committed to engaging constructively with you as Minister for Tertiary Education on these issues.

## SUMMARY OF RECOMMENDATIONS

<b>Funding</b>	Commit to a multi-year funding pathway that restores the real value of investment in tertiary education, with per-student funding increases that keep pace with inflation
<b>Funding allocation</b>	Reform the funding allocation model to reward quality and equity outcomes rather than enrolment volume, with explicit recognition of the civic and community functions of tertiary institutions
<b>Research funding</b>	Ensure the replacement for PBRF is designed with the whole sector in mind, with explicit safeguards for disciplines and institutions that do not fit a metrics-based model
<b>Te Tiriti o Waitangi</b>	Establish clear expectations and accountability for Te Tiriti obligations across all tertiary institutions, and resource genuine institutional transformation
<b>Tertiary Education Strategy</b>	Commit to a review of the TES that broadens its purpose beyond economic productivity, addresses workforce conditions, and establishes meaningful accountability for Te Tiriti obligations

<b>Workforce</b>	Develop a Tertiary Education Workforce Strategy in partnership with unions and institutions, addressing casualisation, workload, and workforce wellbeing
<b>Pay equity</b>	Engage with TEU and other unions on a pathway to restoring meaningful pay equity rights for tertiary education workers
<b>Regional provision</b>	Ensure the newly independent polytechnics are adequately and stably funded to serve the regions and communities that depend on them
<b>Public education</b>	Strengthen funding settings and accountability requirements to actively support established public providers over private ones
<b>International education</b>	Manage international education growth carefully, with genuine investment in housing, pastoral care, and workforce capacity, and restore domestic funding to a level where institutions are not structurally reliant on international student fees

## SYSTEM DESIGN – FUNDING, ALLOCATION, AND STRATEGY

### Funding levels

Aotearoa New Zealand's tertiary education sector is in the grip of a funding crisis that has been building for years. Government funding has fallen well behind inflation since 2020, and in its Investment Plan guidance for 2027, the TEC has warned that funding is unlikely to match student demand, requiring institutions to reprioritise existing resources while absorbing "reduced investment." The consequences are already being felt: Lincoln University has confirmed the axing of 40 full-time equivalent positions, while polytechnics and universities around the country are carrying hundreds and thousands of unfunded students.

Behind these numbers are real people. Staff who have spent careers building relationships with students, supporting them through difficult times, and helping them into work and life are being made redundant. Departments that have trained the nurses, engineers, and teachers that regional communities depend on are being cut because they cannot generate enough enrolments to balance a spreadsheet. This is the lived reality of a sector under sustained financial pressure.

New Zealand's public investment in tertiary education sits more than 24% below the OECD average (see Figure 1). This is not simply a fiscal matter – it is a question of what kind of country we want to be. Tertiary institutions are the places where communities access new knowledge, where first-generation learners transform their life chances, where researchers solve local problems, and where cultures and languages are sustained and celebrated. When they are underfunded, all of this is at risk.

The cautionary tale from Australia – where even deeper underfunding has produced entrenched casualisation, endemic wage theft, and a crisis in staff wellbeing – shows clearly where this path leads. New Zealand should not follow it.

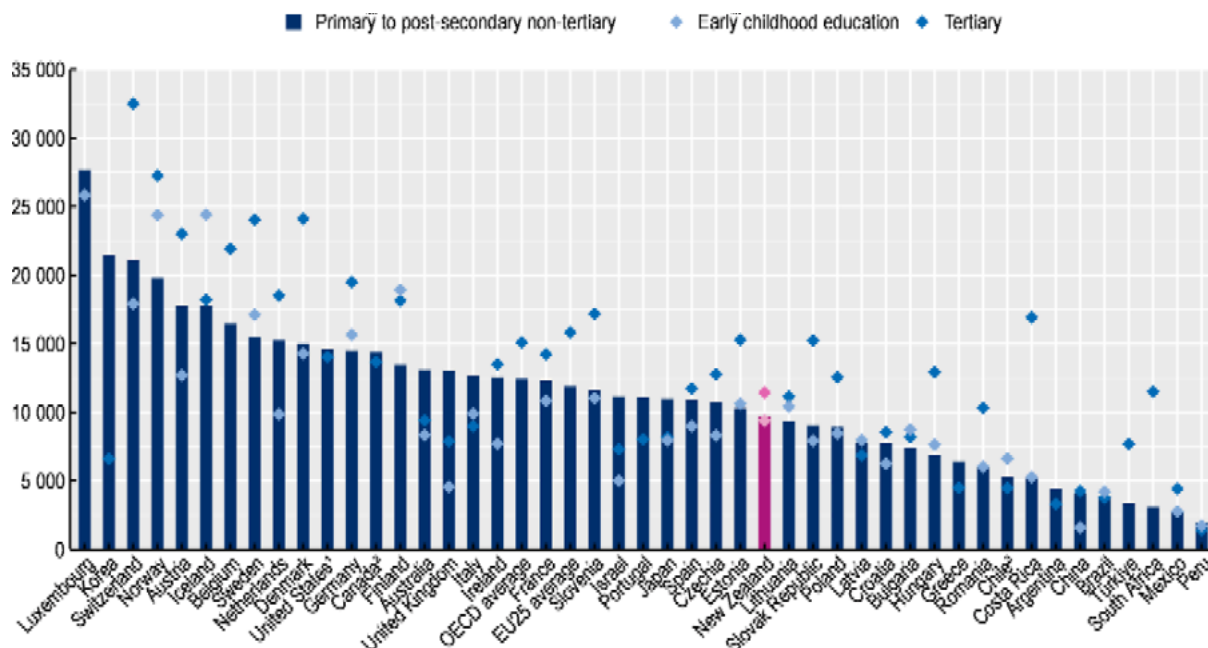


Figure 1: Government expenditure per full-time equivalent student, by level of education (2022)

Adequate base funding is the precondition for everything else: quality teaching, a stable workforce, equitable access, and strong regional provision. Interim tuition subsidy increases have helped at the margins, but they have not resolved the structural problem. TEU calls on the Minister to commit to a multi-year funding pathway that restores the real value of investment in tertiary education.

### The funding allocation model

The way funding is allocated compounds the problem. The current model rewards volume of student enrolments (EFTS) above all else, pushing institutions to compete for headcount rather than invest in the quality of what they offer. Institutions in regions with smaller or more dispersed populations are structurally penalised: their costs are higher, their student base less predictable, and the communities they serve often have the greatest need.

The model also cannot see what matters most. The value a polytechnic brings to a provincial town – as an employer and a place where local people gain confidence and capability – does not show up in an EFTS count. Neither does the value of a researcher working with hapū on environmental restoration, or a humanities department preserving Aotearoa New Zealand's literary heritage. A funding model that cannot account for these contributions will, over time, erode them.

TEU calls for structural reform of the funding model: one that rewards quality and equity outcomes, recognises the civic and community functions of institutions, and provides genuine stability for providers serving high-need communities and regions.

### Research funding

The PBRF has shaped Aotearoa New Zealand's research culture for over two decades, and while its replacement is now signalled, TEU has significant concerns about what comes next. The government's proposed Tertiary Research Excellence Fund (TREF) will move to a metrics-only model based on citation rates, research income, and research degree completions. While we welcome the reduction in individual compliance burden, these metrics reflect how research works in the sciences, not across the full range of disciplines.

The work of a historian, a composer, or a researcher embedded in a community simply does not show up in citation counts. That does not mean such research is of less value. A metrics-only system that cannot see this work will systematically undervalue it. This will only serve to negatively impact the researchers, departments, and institutions that make Aotearoa New Zealand's intellectual and cultural life possible.

There is also a real risk that the new model concentrates research funding further in large universities, leaving wānanga, applied research at polytechnics, and smaller regional institutions behind. TEU calls for the replacement of PBRF to be designed with the whole sector in mind, with explicit safeguards for disciplines and institutions that do not fit the metrics mould.

### **The Tertiary Education Strategy 2025-2030**

The Tertiary Education Strategy 2025-2030 (TES) sets the framework within which the TEC will fund and monitor all tertiary institutions for the next five years. TEU has significant concerns about its overall direction and what it leaves out.

The strategy is explicit that its focus on economic growth is "intentional and unapologetic." We do not dispute that tertiary education contributes to the economy – of course it does. But a strategy organised primarily around economic productivity will, over time, narrow what the sector values and what it protects. Universities, polytechnics, and wānanga do more than supply workers. They are places where people discover what they are capable of, where communities make sense of themselves, where democracy is sustained by critical and informed citizens. A nurse, a teacher, a social worker, an artist – their value to New Zealand is not captured by a growth metric.

What is most striking about the TES is what it does not say. There is no mention of the workforce crisis unfolding across the sector – the job cuts, the casualisation, the workload pressures bearing down on the staff who are expected to deliver on every one of the strategy's ambitions. TEU members are the sector. You cannot lift achievement, improve equity outcomes, and deepen community engagement with a workforce that is stretched, casualised, and demoralised. A strategy silent on these realities is a strategy built on an unstable foundation.

The TES acknowledges Te Tiriti o Waitangi and Māori achievement, which we welcome. But these references are largely instrumental. Māori participation is framed in terms of workforce supply and economic contribution rather than as an expression of what tertiary education owes to Māori as tangata whenua. There is no accountability framework to match the rhetoric, and no substantive engagement with what genuinely honouring Te Tiriti looks like in practice.

### **Te Tiriti o Waitangi**

Tertiary institutions are required to uphold Te Tiriti o Waitangi, and many have made genuine efforts by developing frameworks, embedding te reo Māori in curricula, and building relationships with iwi. But progress has been uneven, and in too many institutions, it remains more symbolic than real.

TEU's own research tells a sobering story. More than a quarter of Māori academic staff in universities, and around one in five in polytechnics, reported experiencing discrimination because they are Māori. One staff member put it plainly: their institution had taken "a hollow ritualistic approach to cultural issues – lots of nice emails with Māori greetings, but no real cultural change."

TEU's vision is of a sector that treats Te Tiriti o Waitangi as a living commitment, not a compliance exercise. One where tino rangatiratanga is expressed through genuine co-governance and co-design, where mātauranga Māori is valued as a foundational knowledge system in its own right, and where te reo me tikanga Māori are woven through teaching, research, and institutional life.

Tertiary education should be a place where every ākonga and kaimahi can belong fully and thrive with dignity. For too many Māori staff and students, it is not yet that place. We call on the Minister to move the sector beyond rhetoric by establishing clear expectations and accountability for Te Tiriti obligations and resourcing the genuine institutional transformation that honouring Te Tiriti o Waitangi demands.

### **WORKFORCE: PRECARIETY, CONDITIONS, AND PAY EQUITY**

#### **Job losses and the human cost of underfunding**

The funding crisis has had a direct and devastating impact on the people who make tertiary education work. In 2023 alone, Massey, Victoria, and Otago universities cut close to 600 positions as well as entire subject areas that communities had relied on. A government emergency injection of \$128 million was not enough to stop most of these losses from proceeding.

These cuts did not happen in a vacuum. Behind every redundancy is a person, often someone who has spent years, sometimes decades, building relationships with students and communities, contributing to local knowledge, and doing work that cannot easily be replaced. When a department closes, students lose their programme, communities lose

a resource, and colleagues lose people they depend on. The ripple effects are wide and lasting.

The events in 2023 were not isolated. The co-president of the New Zealand Association of Scientists described 2024 as shaping up to be the most disruptive year for Aotearoa New Zealand research in four decades. Scholars have documented a sector characterised by heavy workloads, burnout, and continually rising expectations. Significant negative effects continue to impact staff and students. As one researcher put it: “people just can’t keep going under these conditions.”

### Casualisation

Precarious employment has become a defining feature of Aotearoa New Zealand's tertiary sector, not a marginal one. Research shows that in 2019, fewer than half of all academic staff in Aotearoa New Zealand universities held permanent positions. By contrast, more than 90% of public servants were on permanent contracts during the same period. Between 2019 and 2023, the overall number of academics in universities increased slightly, but the proportion in permanent roles did not change. Every new position created was fixed-term.

The human reality behind these figures is hard to reconcile. A survey of 760 academics on precarious contracts across all eight universities found that nearly a third had been living with employment insecurity for five years or more. Almost 60% had taken on extra work to support themselves or their whānau, even when it compromised their other responsibilities. The most common reason given was simple financial need.

These are people who are teaching our students, mentoring the next generation of researchers, and contributing to the intellectual life of their communities, while not knowing from one year to the next whether they will have a job. That is not a foundation on which a thriving sector can be built.

### Pay equity

TEU raised claims covering library, clerical, and administrative staff across all eight universities – roles disproportionately held by women and long undervalued relative to comparable work done predominantly by men.

Those claims were extinguished on 6 May 2025, when the Government passed the Equal Pay Amendment Act, discontinuing all current claims and raising the threshold for future ones. TEU has joined other unions in a High Court challenge, arguing the legislation violates the New Zealand Bill of Rights Act and discriminates against women workers.

This matters beyond the tertiary sector itself. TEU members educate the nurses, teachers, social workers, librarians, psychologists, lab technicians, and allied health workers that Aotearoa New Zealand communities depend on. These are among the most feminised and chronically undervalued occupations in the country, and many face critical workforce

shortages. When pay equity is stripped from the people training these workforces, it sends a message about what that work is worth, thereby making it harder to attract and retain the students who might enter these fields. Our members cannot easily keep students in classrooms when the profession those students are heading into has just had its pay equity rights removed.

The women working in tertiary education libraries and administration are not peripheral to the tertiary education sector. They are part of the fabric of institutions that support student success every day. The TES asks them to contribute to equity outcomes while the Government has just removed their right to be paid fairly for doing so.

## **PROVISION, OWNERSHIP, AND INTERNATIONAL EDUCATION**

### **Regional provision and the Te Pūkenga transition**

Polytechnics are not just education providers. In many parts of Aotearoa New Zealand, the local polytechnic is where school leavers get their first qualification, where adults retrain after redundancy, where industries find their next generation of workers, and where communities invest in their own future. When these institutions are weakened, whole regions feel it.

The disestablishment of Te Pūkenga has caused real disruption to staff, students, and communities. Between 2023 and 2024, the vocational education sector lost 855 staff, around ten percent of its workforce, as funding reductions worked their way through the system. Courses have been cut, campuses destabilised, and communities left wondering what provision will look like in their area for years to come.

The new federation model has not resolved these anxieties. Otago Polytechnic, one of the sector's strongest performers, was placed into the federation against its wishes, with its leaders warning the move risked undermining learner completion rates, teaching quality, and long-term viability. If institutions with strong track records are raising these concerns, they deserve to be heard.

The vocational education sector must be adequately and stably funded to serve the regions that depend on it. Structural change without adequate resourcing is not reform. It is managed decline.

### **Public education and privatisation**

New Zealanders have a reasonable expectation that public investment in tertiary education goes toward institutions that are accountable to their communities, committed to quality, and focused on learner outcomes rather than profit margins. That expectation is harder to guarantee as vocational education increasingly shifts toward private providers.

Private Training Establishments (PTEs) have grown significantly in recent years, and while some deliver good outcomes, the sector as a whole is driven by commercial incentives

that do not always align with the public good. The focus tends toward short-term, high-volume training rather than the kind of deep, sustained educational relationships that genuinely transform people's lives and strengthen communities.

What often gets lost in discussions about private provision is that our established polytechnics are perfectly capable of delivering flexible, industry-relevant training. Many have done so for decades, with strong employer relationships, specialist facilities, and deep roots in their regions. The problem is not that polytechnics lack the capability, it is that they have been chronically underfunded and structurally disadvantaged relative to private providers who carry less overhead and fewer obligations to their communities.

A well-resourced polytechnic with genuine community connections will always be better placed to serve learners and employers than a private provider whose primary accountability is to its shareholders. Public funding should reflect that. TEU calls for funding settings that actively support established public providers, with clear quality and accountability requirements applying to all providers receiving public money.

### International education

International education contributes \$4.5 billion to the Aotearoa New Zealand economy and plays a significant role in keeping many tertiary institutions financially viable. The Government's Going for Growth Plan aims to nearly double that revenue to \$7.2 billion by 2034. TEU supports a thriving international education sector, but the current trajectory raises concerns that deserve attention.

The financial dependence of institutions on international student fees is a vulnerability, not a strength. When borders closed during COVID-19, universities and polytechnics faced immediate financial crises precisely because they had come to rely on international revenue to subsidise core operations. Institutions concentrated in a small number of source countries are particularly exposed; a shift in visa policy, a geopolitical disruption, or simply a change in student preferences can have cascading effects on staffing, programmes, and the students who depend on them.

Australia and Canada pursued rapid international student growth before being forced into emergency caps when housing pressure and public frustration reached breaking point. New Zealand should not repeat that experience. Growth that outpaces the housing supply, overwhelms pastoral support services, and stretches an already pressured workforce is not sustainable, and risks damaging the reputation that makes Aotearoa New Zealand an attractive destination in the first place.

There is also a more fundamental issue. When institutions depend on international fees to balance their books, it is a sign that domestic funding is inadequate, not that international education is flourishing. TEU calls for international education growth to be managed carefully, with genuine investment in housing, pastoral care, and workforce

capacity, and for domestic funding to be restored to a level where institutions are not structurally reliant on global student markets to stay afloat.

## CONCLUSION

Aotearoa New Zealand's tertiary education sector is at a critical point. Years of underfunding, a workforce under pressure, and a policy environment that has prioritised structural change over stability have taken a real toll on the people and institutions that make the sector work.

But the foundations are still there. Committed staff, institutions with deep community roots, and a tradition of opening doors for people who might not otherwise have had the chance – these things have not been lost. They are, however, at risk.

TEU represents the people who show up every day to teach, research, support, and sustain tertiary education across Aotearoa. We ask the Minister to hear what they are telling us: that the sector needs adequate investment, a workforce strategy that takes people seriously, and a long-term vision grounded in the public good rather than narrow economic measures.

We welcome the opportunity to discuss any of the issues raised in this briefing and look forward to engaging constructively with you on these matters.

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