FUNDING OF TERTIARY EDUCATION

Introduction

Tertiary education is a public good. It strengthens Aotearoa New Zealand's social fabric, supports democratic participation, and builds the skills and knowledge necessary for a just and sustainable future. Public investment in our tertiary education sector must be adequate, stable, and predictable, allowing institutions to focus on their core responsibilities of teaching, research, and community service rather than market-driven imperatives.[1]

Consistent with Te Hautū Kahurangi | Tertiary Education Union's (TEU) Equity Policy, this policy recognises the intersecting inequities experienced by women, Māori, Pacific, disabled persons, queer, migrant, and other marginalised kaimahi (staff) and ākonga (students). While the principles of equity, Te Tiriti o Waitangi, decent work, and democracy underpin all of TEU's policy positions, this policy focuses specifically on the funding system that sustains tertiary education.

Whare — Our aspiration

Our aspiration is for a tertiary education system that is securely and publicly funded, enabling institutions to serve their communities with independence and integrity. In this vision, public resourcing is sufficient to maintain high-quality teaching and research across disciplines, including areas that may not generate commercial returns but are vital to society's cultural, intellectual, and democratic life.

In this vision, institutions are not reliant on volatile income streams such as international ākonga recruitment or commercial ventures. Instead, they have stable investment that supports fair workloads and secure employment for kaimahi, as well as accessible, affordable opportunities for ākonga. Funding settings reflect Te Tiriti o Waitangi, honouring the role of Māori knowledge, leadership, tikanga Māori, te reo Māori, and aspirations in shaping the system.

Funding is future-focused and supports the sector to model environmental sustainability, invest in green infrastructure, and prepare ākonga to meet the challenges of a rapidly changing world.

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[1] Within the context of TEU policies, 'tertiary education sector' is the umbrella term used to infer the following sub-sectors: polytechnic; PRRISM (private; REAP; research institutes; statutory; miscellaneous); university; and Wānanga.

Pou — Why this policy is needed

This policy is needed because current funding arrangements are unstable and inequitable. Base funding has failed to keep pace with the actual costs of delivering high-quality tertiary education, leaving institutions increasingly reliant on private income. Overreliance on international ākonga fees makes the system vulnerable to global shocks, while short-term, competitive funding models discourage long-term planning.

These settings directly impact kaimahi, who face heavier workloads and greater insecurity, and ākonga, who face higher costs and fewer opportunities in disciplines not seen as commercially profitable. Funding cuts to areas such as the humanities and social sciences weaken democratic life and limit the diversity of knowledge. At the same time, the sector is under-resourced to meet the scale of the climate crisis or to fulfil Te Tiriti o Waitangi-based responsibilities.

The goal of this policy is therefore to secure a funding system that:

- Provides sufficient, stable, and inflation-indexed baseline funding.
- Protects the independence of tertiary institutions by reducing reliance on volatile markets.
- Ensures all disciplines, including those of cultural and democratic importance, are sustainably supported.
- Enables long-term planning, fair employment, and manageable workloads.
- Equips the sector to respond to the challenges of equity, Te Tiriti o Waitangi obligations, and environmental sustainability.

Waka – Our actions

To achieve our aspirations, TEU will implement a range of the following actions.

Advocacy

- Lobby government for a funding model that provides multi-year, inflation-indexed baseline allocations across the sector and honours Te Tiriti o Waitangi, tikanga, and te reo Māori.
- Advocate for equity-adjusted funding formulas that recognise the costs of supporting diverse ākonga and communities, in line with TEU's Equity Policy.
- Press for sustainable funding of all disciplines, including the humanities, social sciences, and mātauranga Māori.
- Advocate for the expansion of publicly funded scholarships and grants with inclusive, flexible criteria that support access and success for marginalised ākonga, without restrictive age or background limits.

- Advocate for sustained public investment to close the digital divide, ensuring all ākonga and kaimahi have equitable access to digital infrastructure, connectivity, and resources necessary for quality teaching and learning.

Campaigning

- Publicly campaign for tertiary education as a public good, highlighting the dangers of marketisation and overreliance on international ākonga income.
- Build public support for increased investment in tertiary education by demonstrating its social, cultural, environmental, and economic value.

Organising

- Support members to take collective action where underfunding undermines job security, workloads, or educational quality.
- Provide members with resources and evidence to engage their communities and local representatives on funding issues.
- Co-ordinate analyses of the funding system every three years to identify funding shortfalls, inequities, and their impact on kaimahi and ākonga.

Partnership

- Work with iwi and hapu, community organisations, and equity groups to ensure funding settings reflect Te Tiriti o Waitangi obligations and community needs.
- Collaborate with environmental and ākonga groups to advocate for funding that supports sustainability and accessible education.

Policy sign-off and ownership details

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Revision history

Version	Date	Revision description	Owner

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