



# REFORMING TERTIARY EDUCATION FUNDING

*Recommendations based on the TEU report Funding our Future*

**Tertiary Education Union  
Te Hautū Kahurangi**

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TERTIARY EDUCATION UNION  
Te Hautū Kahurangi o Aotearoa

The Tertiary Education Union Te Hautū Kahurangi o Aotearoa (TEU) is a movement of people working collectively to defend and promote quality public tertiary education that is accessible to all.

We work to address a wide range of issues affecting students and staff. We do this because we know staff conditions of work are students' conditions of learning.

**Together, we have achieved so much.** These successes were not just about ensuring everyone has access to tertiary education that is public, local and focused on learning – but about securing pay and conditions that recognise our members' commitment to quality tertiary education, and the time, energy and skill they put into their work.

**TŪ KOTAHI | TŪ KAHA**

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## **FUNDING OUR FUTURE RECOMMENDATIONS**

Responding to the Minister of Education's commitment in May to reform the funding system for tertiary education, staff working in the sector began conversations about the best way to fund the sector to ensure it delivers for all.

Their starting point was to ensure all New Zealanders have access to quality tertiary education, and to ensure our tertiary education system delivers research and innovation that upholds and advances our nation's Tiriti, social, environmental, community, economic, cultural, and scientific needs.

From this sector-wide conversation, five core principles emerged that should underpin all funding decisions at both the national and institutional level in public institutions and community providers.

### **FIVE PRINCIPLES FOR REFORM OF THE TERTIARY FUNDING SYSTEM**

- 1. Tertiary education is a public good that we all benefit from**
- 2. Tertiary education must be accessible, inclusive, equitable, and locally provided**
- 3. Teaching and research, as well as staff and student wellbeing, must be prioritised**
- 4. Funding must foster collaboration and long-term thinking across the sector**
- 5. Funding comes from all of us pooling our resources in a progressive and equitable way**

To ensure these principles are upheld, the Minister for Education needs to make the following commitments ahead of the next election.

## **INCREASE FUNDING TO TERTIARY EDUCATION**

We need to pool our resources so that public contributions to tertiary education in New Zealand can increase to at least 2.7 per cent of GDP per annum by 2021. This is essential to meeting the principles set out above.

Regular and on-going regional and national conversations are needed to determine how funding should be allocated. Learning from the success of the Education Summits, these conversations should be open to wide range of stakeholders.

This will ensure the principles outlined above are supported and advanced by all members of the community. In particular it will help ensure accessibility and equity in the provision of tertiary education at the local level.

It will also ensure greater understanding about why work and study conditions must reflect the contribution staff and students make to ensuring the success of the sector; and why their health and wellbeing needs to be prioritised.

Importantly, local engagement about funding will help to ensure students and staff can be innovative and carry out teaching, learning, and research that address the needs of the communities, iwi, business, and government.

## **ALLOCATE FUNDING TO DELIVER BENEFITS FOR US ALL**

For funding to deliver benefits for all New Zealanders, the Minister needs to commit to ending an entirely volume-based system; scrapping all competitive funding approaches; and allocating public funding only to public and community providers.

Baseline funding should be provided to make sure the real costs of running a network of public tertiary education institutions can be met. Funding that fluctuates according to the number of students makes it impossible to plan and meet the needs of future generations of learners. Baseline funding can be topped up using volume-based calculations.

Baseline funding should be based in most cases on a staff:student ratio at public providers that averages at 1:15 as a maximum over a three-year period. Providing adequate baseline funding in three-year blocks will smooth out fluctuations in annual enrolments and significantly decrease inter-institution competition for student enrolments.

Baseline funding should be augmented with regional loadings that recognise different costs to different communities. It should also be augmented to ensure strategic investment in teaching, learning, research, and innovation that meets the needs of the public, local communities, employers, and government.

There also needs to be appropriate funding for programmes that incur high running costs, especially practise-based professions such as nursing, teaching, and high-hazard trades such as electrical and plumbing. This is a matter of safety because these practise-based professions are currently not allocated adequate funding to enable sufficient supervision and smaller group sizes.

## **FUND A NETWORK OF PROVISION THAT DELIVERS FOR ALL**

What we need is a nationwide tiered network where every community has access to level 1–4 within reasonable travelling time and distance from their home. Level 5–7 should be available to learners in every region, with level 8 and above accessible at the national or international level.

Policy and funding should support such a network and encourage institutions to offer programmes within their own region.

A network of provision must also include adult and community education through community education providers and the ITP sector. As a starting point, this should be funded by at least \$19 million (restoring funding to pre-2009 levels).

## **FUNDING TO RECOGNISE STAFF CONDITIONS OF WORK ARE STUDENTS' CONDITIONS OF LEARNING**

Funding must be allocated equitably so all institutions become exemplary state employers – including payment of a Living Wage to all staff directly and indirectly employed; eliminating any and all gender pay imbalances; and stopping inappropriate growth of casual, insecure and fixed-term employment agreements.

Steps also need to be taken to address the disparity between Chief Executive and Vice-Chancellor salaries and the lowest paid staff. The Minister could set a requirement for the highest salary at an institution to be no more than five times that of the lowest salary and use this as a pre-requisite for receiving public funds.



## **RENOVATE LEARNING INFRASTRUCTURE TO MEET STUDENTS' NEEDS**

Adequate capital budgeting should be provided for infrastructure that enables institutions to meet the learning needs of their students, including equitable access to accommodation in high-cost centres.

Infrastructure also needs to meet the needs of staff, including teaching and research needs. This means listening to staff and taking their input seriously when redesigning teaching and learning spaces. Staff working in the sector are experts in what they do and know how best to deliver quality education and training.

Tertiary education infrastructure is funded publicly, therefore the facilities themselves should be made available for use by local communities when they are not being utilised for tertiary education.

## **FUNDING FOR FREE EDUCATION**

Plans to make three years study fees-free should be progressed as a step towards fully free tertiary education. To support this, all courses at level 1 – 3 should be fees-free regardless of whether someone is enrolling in tertiary education for the first time or retraining. This should apply to all public institutions and in-work learning spaces.

Student support services should be funded to meet the needs of students, including their right to have trained peer advocates and mentors through students associations. This includes funding to eliminate and redress the 'whitestreaming' of services for Māori students

## **ENSURING ACCOUNTABILITY FOR PUBLIC EXPENDITURE**

Institutions should be accountable to their staff, students, iwi and local communities by producing annual community reports that show how institutions have met Tiriti, social, community, environmental, cultural, scientific, and economic well-being goals, as determined by regional and national conversations.

The success of an institution should be evaluated through the production of broad bibliometric data; data on student achievement that recognises the point they are starting from; staff and student well-being data, with analysis of how academic freedom has been preserved and enhanced; analysis of how peer-led quality assurance processes have been adhered to in both teaching and research; and, analysis of institution meeting their critic and conscience function including engagement with professional peers, local communities, iwi, and business.

The government should work with the tertiary education sector to establish a centre for research excellence that provides solid New Zealand specific research and evaluation of the operations of our tertiary education system.

