



9 June 2023

Hon Chris Hipkins
Prime Minister
Via email: c.hipkins@ministers.govt.nz

Hon Grant Robertson
Minister of Finance
Via email: g.robertson@ministers.govt.nz

Tim Fowler
Tertiary Education Commission
Via email: Tim.Fowler@tec.govt.nz

Hon Jan Tinetti
Minister of Education
Via email: j.tinetti@ministers.govt.nz

Kia ora

The financial challenges facing New Zealand universities are significant and must be addressed urgently.

The chronic underfunding of universities is increasingly threatening our stability. Both Te Herenga Waka—Victoria University of Wellington and the University of Otago are being forced to make decisions that impact the lives and careers of their staff and students. We understand the importance of adapting to the needs of society. However, the scale of the funding gap we face, and the fact that it will take generations to rebuild high-quality capability, means that actions today are likely to have detrimental social, economic and cultural consequences for our local communities and for Aotearoa New Zealand for many decades. Universities are fundamental for developing the research and skills that underpin our understanding of ourselves, technological progress, the ability to navigate social change and complexity, and responses to environmental and cultural challenges. New Zealand universities address these areas in a New Zealand context and invest in the young people who provide leadership for our country in the future.

To fulfil this role, our submission to the government is that universities need to be funded in line with inflation. Nearly 80% of universities' income comes from the Government—as support for student tuition and research funding—or is controlled by Government in the form of tuition fees for students. Per student funding has been dropping in real terms for years—in the last decade, it has fallen 20% in real terms compared to increases in the Consumer Price Index. At the same time, costs have continued to rise.

This issue is not about the budgetary responsibility or management of universities. Autonomy only exists when an institution has the resource to invest in the things it deems important—universities do not currently have that ability.

We fully support the open letter that the Tertiary Education Union and the Victoria and Otago university students' associations have sent to the Tertiary Education Commission and government ministers on funding of universities. We need to establish a sustainable funding model that safeguards the future of a high-quality university system, which meets the needs of Aotearoa New Zealand. We need a national conversation around what is important for Aotearoa, for our young people, for our education and our research, and a commitment to achieving the outcomes that are identified.

We are ready to join this conversation, alongside staff and students, and with the government.

Yours sincerely



Nic Smith
**Vice-Chancellor and Chief Executive
Victoria University of Wellington**



Helen Nicholson
**Acting Vice-Chancellor
University of Otago**