



Aide-Memoire: Talking points: Status update on tertiary provision and capability at universities

To:	Hon Jan Tinetti, Minister of Education
From:	Gillian Dudgeon, Deputy Chief Executive Delivery
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Purpose

1. This aide memoire provides you with talking points to support your discussion at the Social Wellbeing Committee on 2 August 2023 and Cabinet on 7 August 2023 of a status update on tertiary provision and capability at universities.
2. We also provide back-pocket notes on recent responses from specific universities.

Talking points

3. The tertiary education sector has faced a range of challenges in recent years due to the impacts of COVID-19, volatile enrolment trends, and high inflation.
4. Universities have responded to these challenges with a range of measures, including reducing staffing levels. Victoria University of Wellington (VUW), the University of Otago (Otago), and Massey University (Massey) all recently announced staff restructuring.
5. As you are aware, the Government recently committed to an additional \$128 million time-limited funding boost to degree and above provision¹ to support the higher education system in meeting current financial challenges.
6. Cabinet invited me to report back on whether universities' proposed changes present risks to capability or nationwide course provision.
7. The increased funding has been well received and may alter some decisions. However some universities are still likely to undertake restructuring, with effects on teaching and research capability (largely where learner demand has declined).
8. Change proposals from Otago and Massey are not yet clear. However the Tertiary Education Commission (TEC) has assessed capability and provision, both broadly and in relation to VUW's proposed changes. They note that:

¹ CAB-23-MIN-0269, Time Limited Tuition Subsidy Increase for Degree and above, 26 June 2023.

- a. agencies found no critical research capability concerns, but TEC and the Ministry of Business, Innovation and Employment (MBIE) will continue to monitor emerging risks.
 - b. there are currently no areas where national provision is being completely lost. Areas for proposed change are available through other providers.
9. Officials will continue to monitor risks as further information becomes available, particularly from Otago and Massey. They will keep me informed of emerging risks or gaps in provision.
10. The government has some mechanisms for mitigating future risk. These include signalling our investment priorities, funding incentives, monitoring, and engagement.
11. The upcoming review of the higher education funding system is also an opportunity to consider wider issues around the financing and funding of higher education.

Back-pocket notes on specific university responses

12. Victoria University of Wellington (VUW):

- a. VUW is currently the only university which has confirmed specific programmes for reduction or phasing out. However, this proposal has since been paused while voluntary redundancies are considered.
- b. Areas proposed by VUW for phasing out were specifically included in TEC's analysis of provision. Only Italian and secondary teaching were identified as areas at potential risk of lack of nationwide provision, but only if other providers also make changes.

13. University of Otago (Otago):

- a. Otago recently accepted 107 voluntary redundancies. Its approach is to undertake a series of small change proposals through 2023 and 2024. Until announcements are made, total FTE reductions and specific areas for change remain unclear.

14. Massey University (Massey):

- a. Massey is currently seeking up to 245 voluntary redundancies across sciences, health, humanities and social sciences, creative arts, the business school and the library, but have not yet made a specific proposal for change.



Hon Jan Tinetti

Minister of Education

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