



**Te Tāhuhu o  
te Mātauranga**  
Ministry of Education

## Briefing Note: Speech Notes for the TEU National Conference 2023

<b>To:</b>	Hon Jan Tinetti, Minister of Education		
<b>Cc:</b>			
<b>Date:</b>	10 May 2023	<b>Priority:</b>	Medium
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<b>Messaging seen by Communications team:</b>	Yes	<b>Round Robin:</b>	No

### Purpose of Report

The purpose of this paper is to provide you with speaking notes and potential question and answers to support your attendance at the Tertiary Education Union Conference on Thursday 18 May 2023.

### Summary

1. You are scheduled to give a 15-minute speech at the Tertiary Education Union (TEU) Conference on Thursday 18 May, 4-4.30 pm, at the Brentwood Hotel in Wellington. The attendees will be TEU members.
2. We understand the theme of the Conference is 'Tātou, tātou e'.
3. Speech notes have been structured around Budget 2023 issues for the Tertiary Education sector. These are attached as Annex 1.
4. You are also scheduled to take questions from the audience for around 10 minutes after your speech. We have included notes on topics that members of the TEU may raise. These are attached as Annex 2.

James Campbell  
Senior Policy Manager  
Te Pou Kaupapahere

10/05/2023

Hon Jan Tinetti  
Minister of Education

18/05/2023

## Tertiary Education Union

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1. The Tertiary Education Union (TEU) represents more than 10,000 workers in the tertiary education sector, including academics, researchers and teachers who are employed at universities, Te Pūkenga, Wānanga, and other tertiary education providers.

### Previous engagement

2. You met with National President Julie Douglas and National Secretary Sandra Grey in April 2023. Topics of discussion included Te Pūkenga; vocational education reforms; reporting and auditing in the tertiary education sector; funding issues; and pay parity/equity.
3. Following this meeting, the TEU stated that “Given the threats of job cuts, we also need the Minister to join members at the TEU’s conference in May to discuss how the current government will respond to the ongoing funding issues facing the sector and impacting on education and training opportunities for all New Zealanders.”
4. Budget 2023 provides a significant cost adjustment for the sector (see below). We have provided some reactive Q&As to this point in Annex 2.

### TEU ‘Hot Topics’

#### *Funding concerns*

5. Funding is a key concern for many TEU members. The TEU have recently expressed concerns that Budget 2023 will not provide sufficient additional funding to the sector. It stated, “If you’re not funding tertiary education properly, you can’t claim to care about skills, science and infrastructure,” as a response to the Prime Minister’s pre-Budget speech to the Employers and Manufacturers Association where he stated that his “priority this Budget will be driving a focus on skills, science and infrastructure investment to grow our economy and make it more secure. These three areas will all receive extra support in the Budget.”
6. In 2022, the TEU prepared a report on universities’ revenue, expenses and asset changes since 2008, based on BERL (Business and Economic Research Ltd) analysis of university financial statements. The report’s key conclusions were:
  - a. government funding over the period has not increased as quickly as other revenue sources, including student fee revenue
  - b. that personnel expenses have not increased as quickly as total operating expenses and have not kept up with wage inflation.

7. This report was prepared in the context of collective agreement negotiations with all universities. Any discussion about the outcomes of this negotiation should take into account the institutional autonomy of universities and avoid the impression of interference in a negotiation process to which the Government is not a direct party.

#### *Te Pūkenga*

8. On 8 May 2023, the TEU reached a signed Terms of Settlement with Te Pūkenga for a consolidated collective agreement for all academic staff within the organisation and allied staff covered by existing collective agreements at Manukau Institute of Technology, University College of Learning, and Otago Polytechnic. If ratified, this will be the biggest single collective agreement in the TEU.
9. TEU have stated concern with the funding for Te Pūkenga, saying that the institution “has been left to languish”, and job cuts are looming. Enrolment data shows domestic provider-based EFTS are down significantly in 2023 while work-based learning is also starting to show signs of softness. With the establishment of Te Pūkenga, job losses were expected, however, as a result of the decrease in EFTS, it may be likely that staffing numbers will continue to decrease.

#### *Future of Work Tripartite Forum: In-work training and lifelong learning*

10. The TEU is part of the Future of Work tripartite group and has been closely involved in recent discussions about education, training and lifelong learning. The way discussions have evolved indicates that the TEU considers lifelong learning provides a framework for the education system focused on strengthening the delivery of education within existing settings, setting all learners up for success, and providing access to training and re-training to gain the skills and competencies needed in a changing economy and society.
11. These discussions build on the changes implemented through the Reform of Vocational Education, including the establishment of Workforce Development Councils and Regional Skills Leadership Groups (RSLGs), and the creation of a national vocational provider in the form of Te Pūkenga.

#### *Equitable Transitions Strategy*

12. The Government is developing an Equitable Transitions Strategy to make sure that our transition to a low emissions future is fair and inclusive. This is co-led by MBIE and MSD.
13. From a tertiary education perspective, the focus has been to support a nimble and responsive education system with equitable access that sets New Zealanders up with skills needed for a low-emissions future. The immediate focus has been on identifying options for supporting workers to transition from high-emission sectors to low emission sectors, including pathways by Māori, for Māori.
14. The TEU have been highly engaged in this work. We understand that you are to receive a Cabinet paper for Ministerial consultation on the draft strategy in early June.

## Key Budget Initiatives

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### ***Cost Adjustment – Tertiary Tuition and Training Subsidies***

15. This initiative applies a 5 percent increase to tertiary tuition and training subsidies. This funding helps providers to manage increases in delivery costs and maintain the quality and accessibility of tertiary education and training.
16. The initiative also provides an additional 15 percent increase in funding for the delivery of mātauranga Māori provision (including te reo Māori) at level 3 and above, to be phased over the next four years.

### ***Increased Funding for Tertiary Education and Training Enrolments***

17. This initiative ensures baseline tertiary education and training funding can fund close to the level of demand expected from 2023. Current baselines are unable to fund the expected demand for enrolments. If unfunded, providers may restrict learners' access to tertiary education and training.
18. This initiative enables the Tertiary Education Commission to fund close to the current level of enrolments through to 2025.

### ***Supporting the Transformation of Te Pūkenga***

19. This initiative provides Te Pūkenga with an interest-free Crown loan of up to \$220 million to support it to implement an IT transformation programme. The programme enables Te Pūkenga to shift from operating more than twenty, largely unconnected, information systems to an integrated IT infrastructure.

### ***Continuing Support for Apprenticeships***

20. This extends the Apprenticeship Boost initiative to the end of 2024, continuing the Government's focus on supporting apprenticeships and ensuring a strong pipeline of skilled workers for key industries.
21. Apprenticeship Boost provides subsidies to employers of first and second-year apprentices to support apprentices while working toward a qualification. The extension will enable an estimated 30,000 apprentices to start or continue being supported.

## Annexes

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| Annex 1: | Speech Notes                    |
| Annex 2: | Potential Questions and Answers |