

# NZ trade union hails phony “victory” in universities’ jobs crisis

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Last week the New Zealand Labour-led government announced that the tertiary education sector will get a temporary funding boost to deal with a crisis brought on by declining enrolments and financial turmoil. The new funding will not prevent cost-cutting measures that are already underway in many institutions, including hundreds of job cuts.

Education Minister Jan Tinetti said a \$128 million cash infusion will be spread across all degree-granting institutions in 2024 and 2025. “The government has heard the concerns of the sector. When we began our budget process, universities and other degree providers were forecasting enrolment increases. The opposite has occurred, and it is clear that there is a need for additional support,” she said.

A review of tertiary education sector funding will also be undertaken after the October 14 election, should Labour win. Cabinet has asked for a report by the end of July on whether recently-announced course cuts “represent a threat to capability or provision of programs nationwide.” Tinetti warned, however, that universities “are not immune to wider changes in the economy and society.”

The crisis is in fact the product of years of attacks. The 1984–1990 Labour government’s “Learning for Life” agenda opened the door to successive funding cuts: it abolished free tertiary education and introduced the first student fees, while forcing universities to operate as competitive businesses.

Labour’s 2023 budget slashed funding for universities in real terms, with tuition subsidies lifted by just 5.3 percent, below the inflation rate of 6.7 percent. The government’s funding injection does not represent any “new” money: it reallocates funding from lower than expected first year student enrolments, bringing the total tuition subsidy to about 9 percent rise from the previous year—above the official inflation rate, but still well below

the actual skyrocketing cost of living.

The Tertiary Education Union (TEU) immediately declared the funding was a “victory for the union members who campaigned hard for the government to step in,” adding a proviso that “permanent solutions” were still needed.

In fact, the \$128 million is woefully insufficient to deal with the immediate crisis, let alone the underlying structural problems plaguing the sector. Auckland and Otago Universities will receive \$14.5 million and \$10.5 million each annually. Victoria University of Wellington (VUW), which has a deficit of \$33 million, will get just \$12 million extra over the next two years.

Education is at the forefront of the government onslaught on wages, jobs and services. Hundreds of tertiary positions are being axed in addition to 1,000 jobs shed during the height of the COVID pandemic in 2020–21. The latest cuts include 229 at VUW, over 200 at Otago, and 170 at Auckland University of Technology (AUT). The national trades training institution Te Pūkenga plans at least 400 sackings to rein in a deficit that has blown out to \$86 million.

In real terms, all institutions have undergone funding cuts of about 18 percent in the past decade, including under Labour. One of the worst financial years ever occurred in 2022, with AUT, Massey, VUW, Canterbury, Waikato and Otago Universities all recording deficits, mainly due to falling domestic and international enrolments.

The TEU admitted it “remains unclear” if the funding injection will stop the current layoffs. TEU national president Julie Douglas declared: “We are cautiously optimistic that this will be enough to stop the cuts but given it is not targeted at the institutions that are struggling the most, we are concerned the money may be spread too thin.”

In fact, VUW vice-chancellor Nic Smith told Radio NZ

the \$6 million extra per year would only prevent about a third of the 229 job cuts the university had proposed. Otago's acting vice-chancellor Helen Nicholson said some redundancies will still go ahead.

It has since been reported that Massey University, which is in line for an extra \$12.8 million from the government top-up, is preparing to eliminate 300 to 400 jobs. The university is looking to close courses with low enrolments and remove the duplication of courses across its three campuses. A staff member told *Stuff*: "It will devastate the university. Massive cuts, massive closures of programs."

The emergency funding is a sign of increasing panic by the Labour government with October's election looming. Earlier this month Prime Minister Chris Hipkins told Otago that universities had to "rebalance their books," which meant making "difficult" decisions. He washed his hands of the matter, saying "it's not something that we can intervene on as a government."

Far from achieving even a partial "victory," the TEU has brought its members, not to mention tens of thousands of students, to a dead-end. It has organised no strike action and mobilised no nationwide campaign on the campuses and among the wider working class to defend jobs and public education.

Instead, the union has confined members to making futile appeals to the Labour government to change course. In an open letter, the TEU called for "four-way discussions among student associations, the Tertiary Education Union, Vice Chancellors and the government to establish a sustainable funding model for universities." The position of the TEU is simply that it should be "consulted" over how cuts should be made.

Over the past decade, the union bureaucracy has collaborated in wave after wave of job cuts and pro-corporate restructuring. During 2020 and 2021, the TEU agreed to wage freezes and hundreds of redundancies as international student numbers fell due to the COVID pandemic and the government refused to increase funding.

The TEU supported Labour in the 2017 election, falsely stating that it offered "a credible and popular alternative" to the former National Party government's austerity measures. Now, the union and its pseudo-left backers are promoting the illusion that Labour can be pressured to abandon its class war agenda and properly fund public education.

The TEU and the rest of the unions are seeking to block the development of a unified movement against what is a

historic assault on workers' jobs, wages and conditions. The primary teachers' union recently imposed a below-inflation pay agreement on 30,000 teachers, who held a nationwide strike earlier this year; the secondary union is likewise preparing a sellout deal for its 20,000 members. Last week, in a sign of what is to come, NZ Post foreshadowed 750 job losses nationwide.

In the universities dispute, the pseudo-left International Socialist Organisation (ISO) is playing a key role in propping up the authority of the union bureaucracy and promoting illusions in Labour. ISO leader Dougal McNeill, the TEU branch president at VUW, hailed the funding boost as a "lifeline" which showed the government had "listened to calls from the sector." It had "kicked the ball back to the vice-chancellors' court," he claimed.

Echoing the TEU's calls for "consultation, McNeill told the *New Zealand Herald*: "We need to have a wider conversation about funding," McNeill again boosted Labour, declaring; "The prime minister, when he was the minister of education, was quite open [when] campaigning in the last election that the funding model is broken."

The union apparatus long ago ceased representing the interests of workers, even in the struggle to defend basic conditions. They consist of a privileged bureaucracy whose priority is the defence of New Zealand capitalism. Their role, with the assistance of middle class, pseudo-left groups, is to enforce redundancies, wage cuts and pro-corporate restructuring.

The defence of jobs, living standards and public education itself cannot be resolved through appeals to Labour or any other capitalist government. It requires the building of new organisations that workers themselves control: rank-and-file workplace committees, independent of the unions and the political establishment.

Above all, the fight for public education must be based on a socialist perspective to reorganise society to meet the interests of the majority, not the profits of the wealthy few. We call on students and academics to contact us to discuss the way forward.



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