'THE SYSTEM JUST CAN'T GO ON'

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More than half of New Zealand's universities face severe financial hardship in what is the sector's worst crisis in recent memory. Charlie Mitchell has spoken to 20 current and former university staff members about the state of the tertiary system, and the apparent indifference of a Government led by former student politicians.

There's a lump of schist on Dr Earl Bardsley's desk in the office he's occupied for 40 years at the University of Waikato.

It's nothing special. Schist is schist. But it was given to him by a student, and he can't bring himself to throw it out: "It's a connection to my former life," he said.

The rock was collected from Lake Onslow in Central Otago, where a mammoth infrastructure project has been proposed: A $15 billion liquid battery that would store enough electricity to supply the country for months.

Bardsley had come up with the idea from that very office. Hunched over a map, he scoured the country for the ideal site; he published his findings in a journal and battled for years to get it noticed.

It took over a decade - that struggle is a story in its own right - but Onslow finally has the Government's attention.

If it goes ahead, it would almost certainly be the largest contribution to New Zealand's economy to emerge from a university.

For Bardsley, it is vindication; proof that academics can offer practical knowledge, and can have a tangible impact on society.

It was surprising, then, when in 2021 Bardsley heard he was being considered for the "change process" at the university - management-speak for redundancy.

He could have fought it; lined up with the others and made his case to a person behind a desk. But he knew it was over.

"I knew then that I wouldn't have much of a chance," he said.

He didn't know it then, but Bardsley was among the first in a wave of pandemic-era university redundancies.

What started at Waikato has radiated outwards. At Victoria University of Wellington (VuW) this week, confirmation came that around 230 jobs would go across various departments. Similar numbers are expected at the University of Otago.

AUT had announced last year that it would make around 170 employees redundant, which was paused by a court challenge but is likely to continue in some form. Massey has announced dozens of redundancies, too.

By the end of this year, as many as 1000 jobs may have been lost from universities during the pandemic; a staggering loss in teaching and research capacity that will take many years to rebuild.

Behind every redundancy is a personal story. For Bardsley, it is represented by the lump of schist from a student he'd never teach - he was made redundant before the course started.

He said he's not upset at the university, which has let him keep his office while he finishes supervising his PhD students.

It's a small mercy - a physical connection to the past.

"Of course, you feel a little bit sad," he said. "I'm still here, and I see the students walking up and down who I would have been teaching, and I'm not.

"I don't think I'm particularly special in that sense - I'm sure there are academics up and down the country going through similar feelings."

Stuff has spoken to 20 current and former university employees, ranging from heads of school to administrative staff, some of whom spoke on the condition of anonymity to protect their job security.

Many warned of a sector in crisis; increasingly managerial and hollowed by repeated funding cuts, at serious risk of dipping into a downward spiral.

Some academics told Stuff they actively encouraged young people to stay away from academia. Others say they are considering retirement for the first time in their careers.

Some younger researchers struggle to see a path to long-term job security, potentially knee- capping an ageing sector and threatening the Government's commitment to increase research and development funding.

Many felt aggrieved by the lack of intervention from the current Government, which is - ironically - led by former student unionists who had fought lesser cuts in the past.

Those views are not universal. Some told Stuff that universities have long had a financial remit and that universities know the rules they work within. Some targeted the universities themselves for poor financial decision- making. For all of its flaws, academia can still offer a privileged working environment.

Nevertheless, there is almost unanimous concern about the state of the sector and the impact mass redundancies will have, not just on the institutions but on the communities they exist in.

It centres on a simple question. Will New Zealand step in to save the universities before irreparable damage is done?

"The money has been shrinking in real terms for many years, and I think it's really starting to bite now," said Dr Quentin Atkinson, a Professor in the School of Psychology at the University of Auckland.

" At some point, you start cutting things that really bite into what the university can do and can deliver. I think we're at that point now."

Down from the hill

They occasionally descend from the hill above Wellington city, clad in decadent robes and parading down Lambton Quay.

A witness might wonder if they've stumbled across a mysterious sect, said Victoria University chancellor John Allen, to a rumble of laughter.

Allen was speaking last month to a crowded theatre of new graduates.

Sitting behind him were academic staff from the School of Humanities and Social Sciences - teachers of languages, music, poetry and many others.

Just because academics do these arcane things - robes, ceremonies, and sceptres - does not make them out of touch, he said.

"We're recognising faculties that are, for many people, simply an ornament - part of a tapestry of a university. They think poetry and writing, art and film, are simply ornaments.

"They are fundamentally mistaken," he said. "In my view, the humanities are the heart of our university". His speech was interrupted with wild applause.

Finances, however, were complicating that story. A week earlier, Allen had updated the university council with a report on the institution's growing financial woes.

"We simply do not have the student numbers and revenue we need to be able to sustain the university in its current shape," he warned. "There is no way we can avoid change or delay action."

The ensuing cuts have come in hard and fast. It was proposed this week that multiple language courses be discontinued and others pared back; courses across geophysics, teaching, theatre, music and more would be reduced, altered, or merged.

If the cuts proceed, VuW will be significantly smaller than it once was. It will have fewer researchers, scientists, teachers and thinkers. All to fill a funding gap roughly the size of a cycleway, or 2.5% of a new motorway.

"The Government is sleepwalking not just towards a university collapse, but a research capacity collapse, which is sort of unbelievable," said Dr Nikki Hessell, a Professor of English at VuW.

"It's not like running a restaurant, where if business picks up, you put an ad in the paper and online and then you get some more staff; you can't suddenly magic up academics.

"If we lose them, that's gone, and I don't think the Government is being serious at all about what that will mean when inevitably the cycle turns."

While the crisis is now worse than ever, it's not VuW's first.

Two decades ago, the university proposed cutting more than 100 jobs, prompting outrage from staff and the student body, who blamed the government for years of underfunding.

One critic was VuW's then- student president: An undergraduate named Chris Hipkins.

"The solution to this problem lies within the Government," Hipkins told a reporter in 2000. "The way to avoid redundancies is for the government to increase funding."

Hipkins' political life started at university, where he was arrested during a protest against increasing student fees before leading the student union at VuW in a period of turmoil.

In government, he became minister of education, a position he held for five years and entered with optimism: "We know the funding systems in tertiary education aren't fit for purpose any longer, and we are committed to working together to fix the problem," he said in 2018.

Hipkins is now on the opposite side of the battle his younger self fought: Resisting calls for an urgent funding injection to avert redundancies amid growing frustration from staff and students.

"He's the Roger Douglas of his generation," said Dr Brian Roper, an Associate Professor of Politics at the University of Otago.

"We had a long period of cumulative underfunding of New Zealand's universities by the previous National government.

"Many staff and students of New Zealand's universities were expecting this Government to be much better, but in actual fact, it's been even worse with respect to the underfunding of universities."

Government funding for the tertiary sector has languished for many years.

That was true under the previous National government - the Tertiary Education Union (TEU) estimated cumulative underfunding of $3.7b between 2009 and 2018 - but the problem has worsened, especially in 2022 and 2023.

"If we factor in the inflation forecasts for this year and next year, the Consumer Price Index will have gone up by 34% over a 10-year period, while funding has only risen by 16%," said Chris Whelan of Universities New Zealand, which represents the university vice-chancellors.

"That's basically a drop in real terms of 18%."

The Government has said that universities have financial autonomy; they are responsible for their own finances, and it's not the Government's place to intervene in operational matters.

"The universities make their own decisions about how they manage their finances, so it's not something we can intervene on as a Government," Hipkins said this month during a visit to the University of Otago.

The recent Budget, he said, included the largest funding increase in two decades - a 5% increase in tuition subsidies.

Yesterday, Education Minister Jan Tinetti said: "I know universities, and the wider tertiary sector, are currently facing a range of financial challenges due to declining domestic enrolments, high inflation and international enrolments yet to recover from Covid-19.

"These same challenges are being experienced around the world with more people choosing to work rather than study in the current economic environment.

"To help address this we delivered the largest increase in funding to universities in over 20 years in Budget 2023, alongside other measures to boost enrolments and support research. The University of Otago could get up to $13 million a year extra from 2024 onwards.

"Universities are not immune to wider changes in the economy and society. They have to make adjustments. Changing what they teach and how they are organised is not unprecedented. Universities are independent and make their own decisions about how and where they invest, this includes teaching, research, employment and property."

The Government's response thus far has not been well received within the sector. Around 77% of a university's funding comes from the Government, primarily through subsidies for each student ('bums on seats').

Another portion comes from research funding.

The Government also sets annual caps on fee increases for domestic students; manages most of the contestable research funds; appoints half the members of the university councils that govern the institutions; and expects them to return a surplus each year.

"The prime minister is absolutely correct that we need to be responsible for our own expenditure," Whelan said.

"But ultimately, he also knows very well from his previous time as minister of education that it's actually the government that controls the other side of the books - the amount of income that universities have to be able to deliver all the things the Government wants from them."

This, ultimately, is the root of the crisis: Years of sinking lid budgets matched with lower-than- expected enrolments.

The influence of the pandemic is undeniable. Despite a sudden drop in international students - one of the few revenue-generating levers universities have that is independent of the Government - universities did not have access to the wage subsidy scheme.

For Roper, who is a political historian, the situation is extraordinary.

"It's absolutely remarkable to have two former student association presidents presiding over some of the deepest funding cuts to New Zealand's universities in our political history," he said, referring to Hipkins and Finance Minister Grant Robertson, who once headed the student union at Otago.

"It's historically unprecedented to have five of New Zealand's universities experiencing severe financial difficulties at the same time, and this has ultimately been caused by these deep shortfalls in government funding."

Sitting ducks

While much of the current crisis can be attributed to recent underfunding, it sits atop long- standing concerns about how universities must operate.

"New Zealand's funding structure is horrifying," said one senior academic.

Universities are not just devoted to teaching; they are also research institutions. As budgets have tightened, there has been growing pressure on some academics to secure external funding, most of which comes from the Government.

Universities apply an internal tax to those funds for overheads, meaning they are a precious source of revenue and are crucial in keeping universities running. The funds also come with contracts requiring the university to keep employing the researcher - insurance against redundancy.

"I feel so sorry for the academics who presently don't have funded research projects," Bardsley said. "They are sitting ducks for redundancy, and they will be very aware of it."

In this system, funding is feverishly sought. Researchers work for weeks or months to prepare their proposals, often in their own time, knowing they are unlikely to succeed: The success rate for the largest funds - the Marsden and the Endeavour - is around 10%.

The reasons for what does and doesn't get funding can be opaque. One academic who has received multiple research grants said they had no idea why their pitches were chosen.

"It's just a complete bullshit exercise," they said. "There's a lot of superstitious behaviour about how to get them, but it's surprising that anybody does get them. It makes no sense how they're awarded."

Numerous academics said this hyper-competitive system reflected the managerial logic of universities today. Instead of co-operating, academics are in a death match for the limited share of funding, knowing that success is vital for their personal career progression.

"I think the ideal level of competitiveness occurs when people have stable positions, and they're encouraged to compete for what are effectively kudos," said Dr Troy Baisden, co-president of the New Zealand Association of Scientists.

"The reality of the New Zealand system has been that people have to compete not only for their own funding, but for the funding that supports their institution, that funds the lab they work in, that funds the equipment . . . that's inherently unstable.

"In theory, competition means we're selecting the best people and getting the best research," he added. "But if this is where it gets us, the last 20 years of making competition successful are a disaster."

The funding shortfalls were starting to hamper the quality of education students received.

Many academics told Stuff their jobs had recently expanded into undertaking administrative tasks; ensuring students had swipe cards and a place to live; were aware of the funding available to them; resolving access to equipment.

It directly resulted from losing on-the-ground administrative staff or centralisation efforts to cut costs.

Amid widespread redundancies, that would likely continue. The workload does not disappear - it is spread more thinly.

"Our workload has been chronically high for many years, and adding to it further will increase burnout and departure from the sector to the extent that the universities are in even more trouble financially as we cannot teach students," said one VuW academic, who is not affected by the job cuts.

"There is a real chance of a downward spiral here."

A grim future

There used to be a reliable pipeline.

A doctoral student would become a lecturer, then get promoted to associate professor, then professor. They'd retire when they felt like it. Some wouldn't even do that; they'd die on the job.

For early career researchers, this is a distant fantasy.

Several younger academics told Stuff they struggled to see a future in academia. Stuck on temporary contracts and paid the bare minimum, the crisis adds further instability to what may already be an unviable career path.

One researcher said they managed to get temporary job security through a prestigious research grant - submitting the proposal was "the most I might have ever worked on anything", they said.

They still do not have a permanent contract; when they ask about it, they are told now is not the right time.

"If some people are losing their jobs, there's no way that they're going to hire me permanently, and so it feels like the precarity of not having job security is just getting pushed down the road for even longer.

"At some point, I feel like I either need some job security or to find some other pathway of doing science, but maybe not at the university."

This view is not uncommon. Older academics fretted over the state of the tertiary sector and what was being left behind. "Sometimes, I think, would I start over again if I had to?" one academic said. "I don't know if I would."

"Personally, I've discouraged my children from academia," another said. "Not science, though - I'll be encouraging [them] to avoid academia, but maybe to have a science job outside of academia, just because of my personal experience."

This is the less obvious impact of the university crisis.

For many young academics, the system they will inherit is broken. Their universities are where redundancies occur en masse in a funding-starved environment driven by managerialism and cost- cutting; their contracts are temporary, and their work is undervalued.

"Over the last four or five years, we've seen quite a lot of movement from early career researchers having public discussions about how unhappy they are with the system that they're inheriting," said Dr Sereana Naepi, a Rutherford Discovery Fellow at the University of Auckland.

That is likely to impact some groups more than others. For generations, universities have excluded Maori and Pacific people, particularly in academic and leadership roles.

Now, as universities pledged to address that history, they must do so amid wider structural uncertainty, Naepi said.

"I think the reforms of the '80s and '90s are coming back to roost.

"If you look across the sector, this is the natural progression, right? If you reform a university to be not about academic governance, but about a sort of corporate governance model, when you're running low on budget, the first thing you do is cut human resources because human resources are your largest cost."

What will happen after the current round of redundancies is over is unclear. Both VuW and Otago will be smaller. Academics who make it through the redundancy may look for jobs overseas, fearing they'll be next.

There has long been a quiet suggestion that New Zealand has too many universities: Locked in competition, they are fighting for a dwindling pool of students.

The question of which university should shutter has long been verboten. Unless something changes, it may finally be answered.

"The system just can't go on," Bardsley said, from the office he will soon relinquish. "If it stays like this, we'll just bleed academics out of the country, and some of the universities may even go into a downward spiral. Because once you start losing your reputation, it's really hard to get it back again."

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