

## Governments continue to ignore country's research providers

by Stuart McCutcheon

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**Recent reports using OECD statistics to benchmark New Zealand's spending on education mask the reality around public investment in one of this country's vital educational assets – our universities.**



Education funding may be "steady" and compare well with other OECD countries, because New Zealand has a relatively high proportion of its population attending primary and secondary school. Total expenditure on tertiary education in this country also stacks up reasonably well on an international basis but New Zealand is unusual in the high proportion that goes on student financial support – at a cost to the support of teaching and research.

Yet it is university education and research that will take New Zealand forward through their contribution to economic and social development. The distinguishing characteristic of university teaching is its research content, and the research performance of the country's eight universities continues to improve.

Combined university revenue from research contracts increased from \$176 million in 2004 to \$219 million in 2006 and current estimates of the commercialisation value of university research on an annual basis are around \$350 million. Despite having only 37 per cent of national research staff on a fulltime equivalent basis, universities produce 63 per cent of all research publications and 57 per cent of all patents in this country.

As New Zealand's largest research providers, universities hold the key to our future in an increasingly competitive global economy.

This reality seems to have escaped successive governments which have failed to deliver the appropriate level of investment in universities. If they had done so, they would have secured universities' full potential in advancing knowledge, training the professional workforce and harnessing the benefits of research.

The unfortunate fact is that universities are now \$230 million a year worse off in real terms than they would have been 15 years ago as institutions of comparable size.

Government funding per university full-time equivalent student has fallen from \$10,932 in 1991 to \$9098 in 2006, in 2006 dollars adjusted for inflation.

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The current investment imbalances within New Zealand's tertiary education system, which see this country spending well above the OECD average on student financial support, and well below average on support of the tertiary institutions, extends to educational expenditure as a whole. While Vote:Education has grown by 80 per cent during the past nine years to an estimated \$10.5 billion, funding for university teaching has increased by only 48 per cent over that time. Further, that increase was driven by rising university student numbers as opposed to more funding per student.

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What is particularly frustrating to New Zealand universities, and the people who work in them, is that other countries have been quicker to grasp the importance of investing in university education to remain internationally competitive.

We need to look no further than across the Tasman. According to a recent study by the Association of Commonwealth Universities, Australian university academic staff continue to fare better financially than their New Zealand counterparts, being 44 per cent better off in terms of total remuneration. It is no wonder that we see a constant flow of academics away from New Zealand universities.

There are signs the gap between Australian and New Zealand universities is about to grow. The recently elected Rudd Government in Australia immediately launched a review of higher education with a discussion paper that succinctly

makes the case for increased investment in universities: "Higher education is the site for the production and transmission of new knowledge and for new applications of knowledge. It is here that the most highly skilled members of the workforce are educated and here too that the intellectual base for new knowledge intensive industries is formed."

It is clear that Australians can see the advantages that accrue from an internationally competitive university

system. Their federal government backed that belief in its Budget earlier this year, which saw investment in university education boosted by billions of dollars.

By comparison, the New Zealand Budget saw university funding increased at a rate lower than current inflation. It is the difference between going forward boldly and standing still.

*This article does not necessarily reflect the views of the Education Forum*

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