

# THE FUTURE OF OUR UNIVERSITIES

Tertiary Education Symposium  
15 May 2024

James Kierstead  
Foreword by Oliver Hartwich



THE  
NEW ZEALAND  
INITIATIVE

## ABOUT THE AUTHOR



Dr James Kierstead is a Senior Fellow at the Initiative. He holds a PhD in Classics from Stanford as well as MAs in Political Science (also from Stanford) and Ancient History (London), and taught in the Classics Programme at Victoria University of Wellington for a decade.

Besides his academic publications on ancient and modern democracy, he has published pieces in *The Dominion Post*, *The Spinoff*, *The New Zealand Herald*, *The Australian*, *The Spectator Australia*, *Quillette*, *Quadrant*, *Times Higher Education*, *Chronicle of Higher Education* and other outlets. His first report for the Initiative, *Blessing or Bloat? Non-academic Staffing in New Zealand in Comparative Perspective*, co-authored by Michael Johnston, came out last year. James is also the co-host (again with Michael Johnston) of the Free Kiwis! podcast, which focusses on free speech issues in New Zealand.

## ABOUT THE NEW ZEALAND INITIATIVE

The New Zealand Initiative is an independent public policy think tank supported by chief executives of major New Zealand businesses. We believe in evidence-based policy and are committed to developing policies that work for all New Zealanders.

Our mission is to help build a better, stronger New Zealand. We are taking the initiative to promote a prosperous, free and fair society with a competitive, open and dynamic economy. We develop and contribute bold ideas that will have a profound, positive, long-term impact.

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# FOREWORD

BY DR OLIVER HARTWICH  
CHIEF EXECUTIVE OF THE NEW ZEALAND INITIATIVE

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The state of our universities matters – and not just to those of us working in them. Universities shape the minds of future generations. The ideas taught in their lecture theatres and seminar rooms today will influence the decisions made in boardrooms, cabinet offices and indeed everywhere else tomorrow.

That is why all of us should care deeply about the future of these institutions. And it is why The New Zealand Initiative recently convened a symposium to grapple with the challenges they face, from funding pressures and sliding rankings to eroding academic freedom and growing bureaucracy.

As I noted in my opening remarks at the symposium, Wilhelm von Humboldt, the Prussian philosopher and founder of the University of Berlin, is an intellectual hero of mine. In the early 19th century, he almost single-handedly propelled universities out of their medieval stagnation and into the modern era.

Humboldt's vision of the university as a bastion of free enquiry, dedicated to the holistic cultivation of the individual through the relentless pursuit of knowledge, became the gold standard to which the best institutions still aspire today. This model did not just revolutionise the German academic

landscape; it was influential globally, with universities around the world emulating his approach. It is no exaggeration to say that Humboldt's ideas shaped our modern understanding of what a university should be.

It is through the lens of Humboldt's ideals that I view the current state of New Zealand's universities with growing concern. As the insightful discussions at our symposium laid bare, our institutions are grappling with a host of challenges that threaten to undermine their core mission.

Chronic underfunding, declining international rankings, growing bureaucratisation, erosion of academic freedom – these are just some of the storm clouds gathering over the sector. Universities are facing funding shortfalls that jeopardise their ability to deliver on their fundamental purpose. But more than just the financial bottom line, it is the soul of the university that is at stake.

We cannot allow these troubling trends to continue. The consequences of inaction are too grim to contemplate: a slow slide into intellectual mediocrity, a failure to equip our students with the knowledge and curiosity they need to thrive. In short, a relapse into

a kind of academic dark age from which Humboldt's reforms freed the university system.

That is why I believe it is time to go back to first principles and re-imagine their application in a 21st century context. This is no easy task. The challenges our universities face are complex and deeply entrenched. Overcoming them will require boldness, creativity and above all an unwavering commitment to a free and open contest of ideas.

But as the robust discussions at our symposium demonstrated, there is no shortage of passionate and innovative thinkers willing to take up this cause. This report is a distillation of their collective insights – a rough roadmap, if you will, for navigating the current storm and steering our universities towards calmer waters.

I invite you to engage with the ideas herein with an open and critical mind. The future of our universities – and the futures of the students we serve – may very well depend on it.





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## INTRODUCTION

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The symposium on the Future of Our Universities, organised by The New Zealand Initiative and the Free Speech Union, brought together a diverse array of academics, policymakers, and thought leaders to address the pressing challenges and opportunities facing the country's tertiary education sector. Over the course of the day, panellists and participants engaged in robust discussions and debates, but also shared ideas about what has gone wrong in higher education in this country and how to change it.

The symposium's programme was designed to tackle a range of critical themes, including the financial sustainability and governance of universities, the protection of academic freedom and viewpoint diversity, the pursuit of research excellence and impact, and what the real purpose of universities should be.

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In his opening remarks, Dr Oliver Hartwich, the executive director of The New Zealand Initiative, underscored the importance of intellectual prosperity as a driver of economic prosperity and social well-being. Drawing on the ideas of Matt Ridley and the historical example of Wilhelm von Humboldt, the founder of the modern research university, Hartwich emphasised the need to keep the Enlightenment spirit of open inquiry and academic rigour alive in the face of contemporary challenges.




Tertiary Education  
Symposium 2024

## Academic Freedom

Guest Speakers:  
Dr James Kierstead  
Dr Sandra Grey  
Prof. Kendall Clements  
Jonathan Ayling

Chair: Michael Johnston  
1:20 – 2:20pm



Dr James Kierstead speaking at the Symposium

# THE STATE OF NEW ZEALAND UNIVERSITIES

The opening panel discussion, featuring distinguished academics and administrators, delved into the current state of play in New Zealand's tertiary education sector.

One of the key issues highlighted was the funding pressures faced by universities. Despite recent increases in government support, universities are collectively forecasting a deficit for the first time in 2024. Panellists pointed to the lingering impact of COVID-19 on international student enrolments, the rising costs of salaries and infrastructure, and the constraints of the current funding model as major contributors to the financial squeeze. As Sawtooth Economics' Dave Heatley showed, domestic fee revenues have been lagging behind costs for several years now, producing a substantial shortfall.

Concerns were also raised about the declining international rankings of New Zealand universities over the past decade. While the country's institutions still rank among the top globally, the consistent downward trend was seen as a worrying sign of eroding competitiveness and quality. Panellists attributed this decline to a combination of factors, including inadequate research funding, a 'brain drain' of top New Zealand academics to universities overseas, and the challenges of attracting and retaining international talent.

Another key theme that emerged was the growing bureaucratization and managerialism within universities. Panellists lamented the proliferation of non-academic staff and administrative processes, which they argued diverted

resources away from core teaching and research functions. The increasing focus on branding, marketing, and short-term financial metrics was seen as symptomatic of a broader shift towards a corporate model of university governance.

Despite these challenges, panellists also highlighted the resilience and adaptability of New Zealand universities. They pointed to the sector's swift pivot to online learning during the pandemic, the strong performance of top students and researchers, and the enduring value of a university education in an increasingly knowledge-based economy. However, there was a clear consensus that significant reforms and investments were needed to secure the long-term sustainability and competitiveness of the sector.

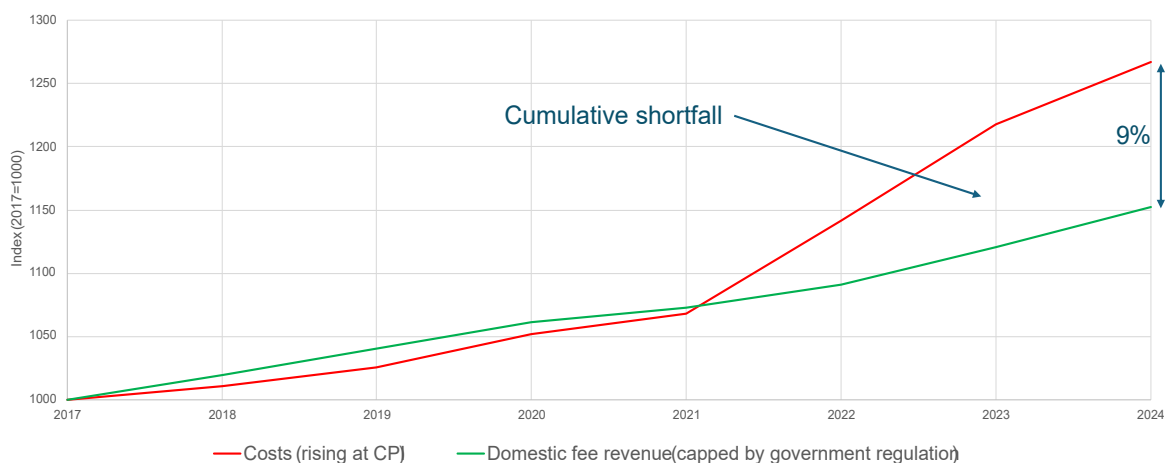


Figure 1: Costs rising faster than capped revenue



Hon Penny Simmons speaking at the Symposium



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# REFORMING UNIVERSITY FUNDING AND GOVERNANCE

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The urgent need for reforming university funding and governance emerged as a central theme throughout the symposium. Speakers from across the political spectrum and in different roles offered diverse perspectives on the shortcomings of the current system and potential pathways for improvement.

In her address, the Minister of Education, Hon. Penny Simmonds, acknowledged the financial pressures facing universities and the limitations of the existing funding model. She signalled the government's intention to develop a more stable, long-term funding framework that provides greater certainty for institutions while incentivising quality teaching, research, and student outcomes. The Minister also highlighted the ongoing work of the University Advisory Group, chaired by Professor Sir Peter Gluckman, which has been tasked with reviewing the effectiveness and sustainability of the university system.

Victoria University's Associate Professor Martien Lubberink, who has a background in bank regulation, argued that the financial position of New Zealand universities was fundamentally

sound, since they had 'almost no debt,' high liquidity, and 'positive cash flows.' Most other participants, though, were more pessimistic. Alan Judge, who sits on Victoria University's Council, said in response to Lubberink that university balance sheets could be deceptive, since they included (for example) real estate assets that could not simply be sold to raise funds.

Or could they? The role of universities' asset portfolios and the potential for strategic divestments also featured in the discussions. Some speakers suggested that universities should consider selling non-core assets to shore up their finances and invest in academic priorities, while others raised concerns about the long-term implications of depleting institutional endowments.

Beyond funding, the symposium also grappled with broader questions of university governance and accountability. Several speakers criticised the perceived managerialism within universities, arguing that the proliferation of non-academics (which James Kierstead and Michael Johnston recently showed were the majority of university employees) had eroded the primacy of teaching

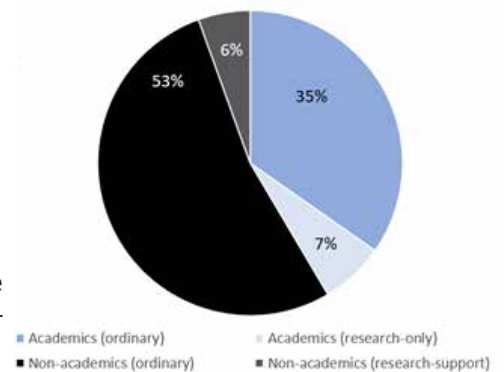


Figure 2: Proportion of academics and non-academics in New Zealand universities

and research. They called for a reassertion of academic values and priorities in university decision-making, with some proposing alternative governance models that give greater voice to faculty and students.

Several speakers also urged universities to prioritise collaboration over competition, particularly in ensuring that New Zealand students could choose from a broad array of subject areas. Speakers pointed to ongoing experiments in inter-institutional collaboration of this sort, such as the shared language teaching initiatives between the University of Otago and Victoria University of Wellington.

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# DEFENDING ACADEMIC FREEDOM AND VIEWPOINT DIVERSITY

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The symposium dedicated significant attention to the critical issues of academic freedom and viewpoint diversity, which many speakers viewed as under threat in the contemporary university. The panel discussion on this topic, featuring Sandra Grey, James Kierstead, Kendall Clements, and Jonathan Ayling, sparked a lively debate about the state of intellectual discourse on campuses.

Kierstead and Clements presented evidence from surveys and personal testimonies suggesting that a significant proportion of New Zealand academics feel constrained in their ability to express controversial or dissenting

views, particularly on sensitive political and social issues. (Some questioned the methodology of the Free Speech Union's 2023 survey, which had a sample of 452. But the 2022 survey, which had 1,266 respondents came to similar conclusions, with fully half of respondents saying they felt more unfree than free to discuss the Treaty of Waitangi, for example.) Clements and Ayling pointed to a variety of factors contributing to this "chilling effect," including the fear of professional repercussions, the pressure to conform to prevailing ideological norms, and the increasing influence of activist students.

The panel was followed by a vigorous debate among panellists and participants. Some argued (for example) for a more expansive conception of academic freedom that includes the right to express views beyond one's narrow area of expertise. Others emphasised the special responsibilities that come with academic positions, such as the obligation to uphold scholarly standards of evidence and rigour.

The role of universities in fostering an environment conducive to open inquiry and robust debate was a central theme of the discussion. Some participants called on university leaders to demonstrate greater courage and clarity in

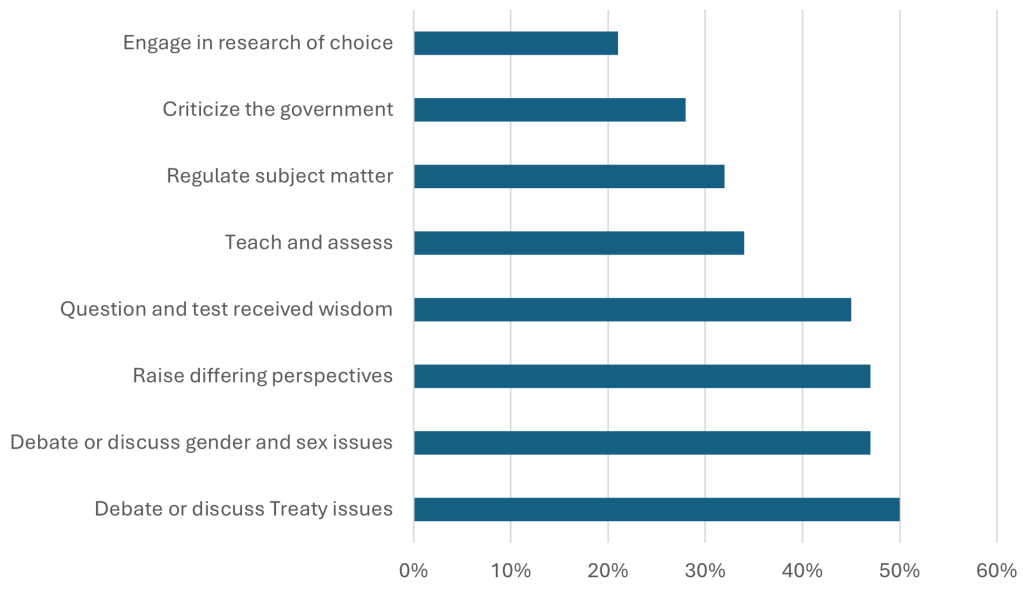


Figure 3: Percentage of respondents who gave their freedom to perform the following actions a score from 1 to 5, where 1 was completely unfree and 10 completely free; from the 2022 Free Speech Union Academic Freedom Survey

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defending academic freedom, even in the face of political pressure or public backlash. Michael Johnston, chairing the debate, emphasised the importance of cultivating a culture of respectful disagreement and intellectual humility, where ideas can be vigorously contested without descending into personal attacks or harassment.

Jonathan Rauch's keynote address provided a sobering assessment of the state of academic freedom and viewpoint diversity in the United States, which he argued was in the midst of a "crisis of confidence" in higher education. Rauch traced the origins of this crisis to a confluence of factors, including the rise of social media, the polarisation of American politics, and the emergence of a "callout culture" that stifles dissent and encourages self-censorship.

Drawing on his book *The Constitution of Knowledge*, Rauch made a passionate case for the importance of preserving the Enlightenment values of free inquiry, rational debate, and the pursuit of truth in the face of contemporary challenges. He highlighted the vital role that universities play in upholding these values and the dire consequences of allowing them to be eroded by

ideological conformity or political expediency.

Participants also grappled with the question of how to better protect and promote academic freedom and viewpoint diversity in New Zealand universities. Nicole Moreham, for instance, questioned the idea that the government should play a stronger role in ensuring academic freedom, viewing this as a threat to universities' autonomy. For James Kierstead, by contrast, ensuring that universities upheld their obligation to free speech under the Education and Training Act wouldn't be restricting academics' freedom to research, teach, and express themselves as they saw fit. Rather, it would enhance it by ensuring bullies couldn't shut down others' speech.

While there was no consensus on the way forward, the symposium played a valuable role in raising awareness of the critical importance of academic freedom and viewpoint diversity to the health and vitality of New Zealand's universities. It also served as a clarion call for academics, administrators, and policymakers to take concerted action to safeguard these fundamental values in the face of growing challenges.

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# ELEVATING RESEARCH EXCELLENCE AND IMPACT

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The symposium also delved into the critical role of research in advancing knowledge, driving innovation, and addressing societal challenges.

Victoria University's Prof. Michele Governale pointed to the relatively low levels of research and development (R&D) spending in New Zealand compared to other OECD countries, both in terms of total R&D spending and of basic research expenditure (see below). He argued that this underinvestment was constraining the country's research output, competitiveness, and economic potential.

There was particular concern about the erosion of funding for this kind of basic, curiosity-driven research, which many speakers viewed as the foundation for future breakthroughs and innovations. Several participants called for a rebalancing of research funding

that recognises the value of both pure and applied research, and that provides greater stability and predictability for researchers and institutions.

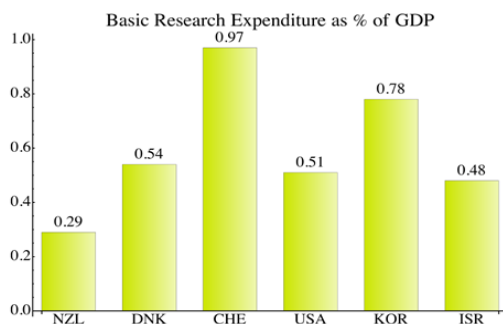
About six weeks before the symposium, it was announced that the Performance-Based Research Fund (PBRF) system, the main mechanism for allocating research funding in New Zealand, would be placed under review. While many speakers acknowledged the positive impact of the PBRF in incentivising research excellence and productivity, others criticised the system's administrative burdens, its focus on individual rather than institutional performance, and its potential to distort research priorities.

The PBRF's future now looks extremely uncertain. Most speakers welcomed this, openly advocating for its demise, while a few argued

for targeted reforms to streamline the assessment process and better align it with strategic research objectives. There was broad agreement on the need for a more transparent, consultative approach to the design and implementation of any future research funding framework. At the same time, several participants stressed the positive role that the PBRF played in ensuring that research was properly recognized and funded at New Zealand universities.

The symposium also grappled with the broader question of how to measure and incentivise research impact beyond traditional metrics such as publication counts, citation rates, and peer review, all of which have limitations.

Victoria University's Associate Professor Nokuthaba Sibanda, who currently serves as the Associate Dean for Postgraduate Research at the School of Engineering, separately proposed that PhD students could work on projects that are co-designed by universities and industry. That would mean research that fed in more directly to New Zealand's economy, as well as PhD graduates with more links with industry in an increasingly competitive market for academic jobs.



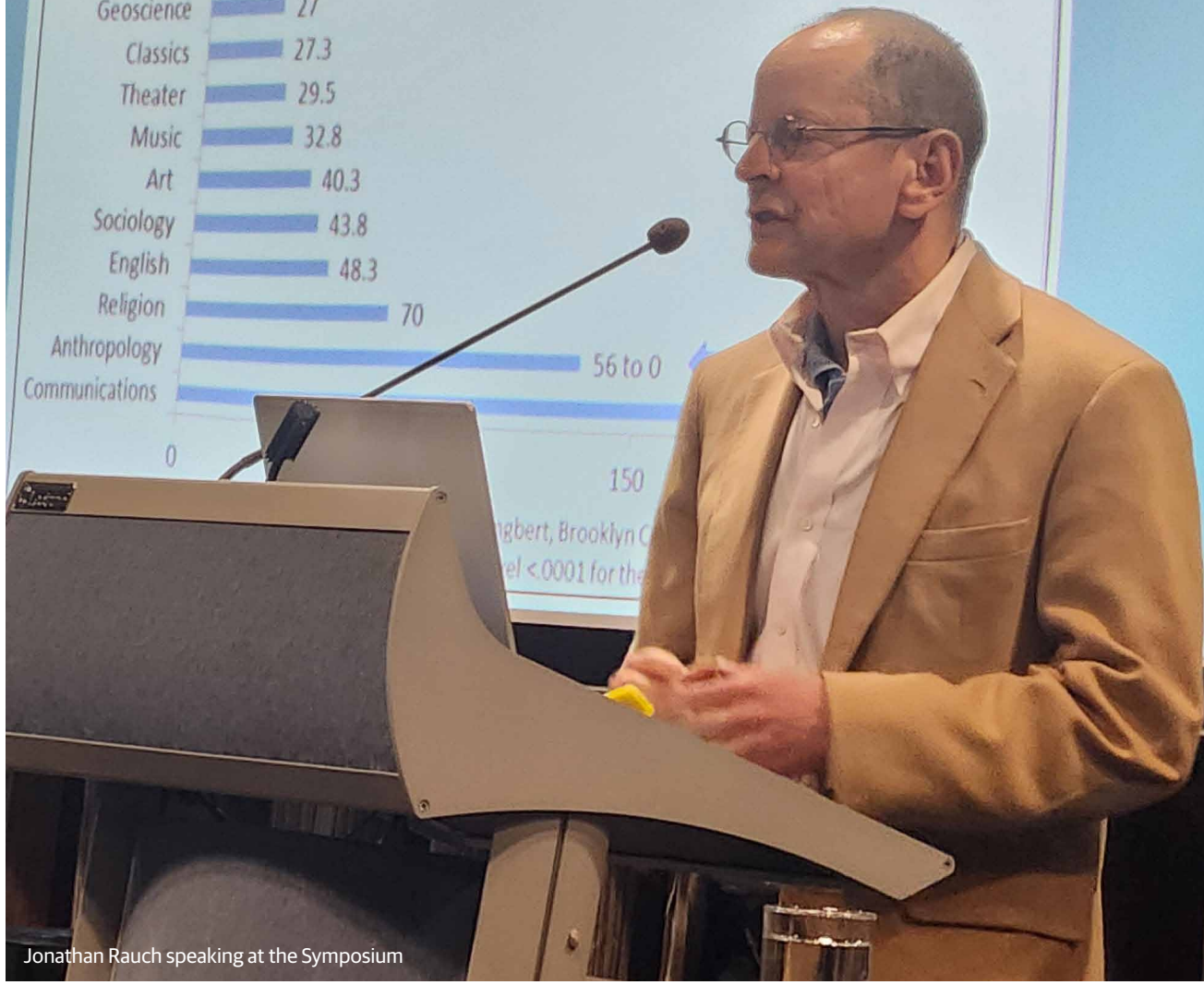
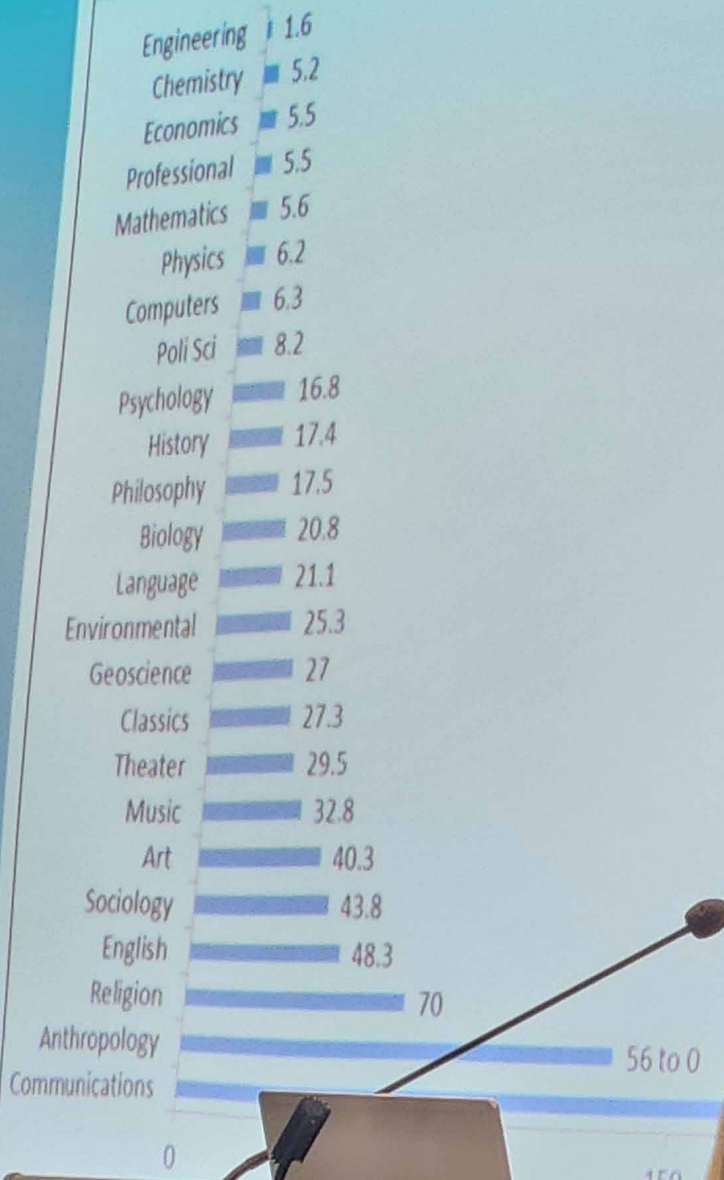
Source: OECD Main Science and Technology Indicators (downloaded May 2024)  
OECD: Basic research is experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any particular application or use in view.

Figure 4: R&D funding in New Zealand



Prof Kendall Clements speaking at the Symposium

# Number of Democratic Faculty Members For Every Republican in 25 Academic Fields



Jonathan Rauch speaking at the Symposium

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# COMPARING INTERNATIONAL MODELS AND APPROACHES

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The symposium benefited from the insights of international speakers who shared their perspectives on challenges and innovation in university systems around the world. These comparative discussions provided valuable context for understanding the strengths and weaknesses of the New Zealand model and identifying potential lessons and best practices from abroad.

Jonathan Rauch's keynote address offered a sobering assessment of the state of academic freedom and viewpoint diversity in the United States, which he argued played a major role in a "crisis of confidence" in universities there. Rauch

traced the origins of this crisis to a confluence of factors, including the rise of social media, the polarisation of American politics, and the emergence of a "callout culture" that stifles dissent and encourages self-censorship.

While acknowledging the differences between the American and New Zealand contexts, Rauch's analysis resonated with many symposium participants who saw parallels in the challenges facing universities on both sides of the Pacific. His call for a renewed commitment to Enlightenment values of free inquiry, rational debate, and the pursuit of truth served as a powerful reminder of

the importance of safeguarding academic freedom in the face of contemporary threats.

The interview with Professor Peter Schwerdtfeger provided a fascinating glimpse into the German university system, which is often held up as a model of research excellence. Schwerdtfeger highlighted the key features of the German model, including the strong emphasis on basic research, the differentiation between research universities and applied sciences universities, and the extensive public funding for research and development.



Prof Peter Schwerdtfeger interviewed by Dr Oliver Hartwich



Dr Michael Johnston chairing a panel consisting of Em Prof Peter Walls, Em Prof Anne Noble, and Prof Elizabeth Rata



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# INCORPORATING MĀORI KNOWLEDGE AND PERSPECTIVES

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One of the most thought-provoking and contentious themes of the symposium was the role of mātauranga Māori (traditional Māori lore) at New Zealand universities.

Several speakers argued that we should value mātauranga Māori as a knowledge system that includes empirical knowledge and that has much to contribute to our understanding of the world. They argued that incorporating Māori perspectives into university curricula and research can enrich and diversify the academic enterprise, while also promoting greater cultural awareness and responsiveness.

However, there was also significant debate and disagreement about the epistemological status of mātauranga Māori and its relationship to Western science. Some speakers argued that mātauranga Māori should be treated as a complementary but separate domain of knowledge, with its own internal logic and methods of validation. Others insisted that mātauranga Māori must be subject to the same standards of empirical testing and falsification as other knowledge claims within the university.

The debate over the incorporation of mātauranga Māori into the science curriculum was particularly heated, with some panellists expressing concern about the potential for pseudoscience and ideological conformity to undermine the integrity of scientific inquiry. Others countered that such fears were overblown and that the integration of Māori knowledge could actually strengthen and enrich scientific understanding by bringing new perspectives and insights to bear. One man with experience of teaching mātauranga Māori at primary schools said that while he deeply valued his ancestral culture, he also valued science, which he saw as a distinct enterprise.

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## CONCLUSION

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The symposium on the Future of Our Universities provided a rich and thought-provoking exploration of the key challenges and opportunities facing the country's tertiary education sector. Though the day featured robust debates on several topics, there were also many areas of agreement.

Several key themes emerged from the symposium, including the need for a more sustainable and strategic approach to university funding and governance, the importance of safeguarding academic freedom and viewpoint diversity, the imperative to elevate research excellence and impact, and the risks of uncritically conflating Māori traditional lore with modern science.

While there was no consensus on the way forward, the symposium played a valuable role in raising awareness of the critical issues facing New Zealand universities and fostering a constructive dialogue among stakeholders. It also served as a catalyst for generating new ideas and approaches to addressing the complex challenges of the sector.



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## APPENDIX 1

# SYMPOSIUM PROGRAMME

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9.00 am	<b>Introductory remarks</b>
	Dr Oliver Hartwich, Executive Director, The New Zealand Initiative
9.05 am	<b>NZ Universities: The State of Play</b>
	<b>Speakers</b>
	<ul style="list-style-type: none"><li>• Mr David Heatley</li><li>• Dr Martien Lubberink</li><li>• Prof Natasha Hamilton-Hart</li><li>• Chair: Dr Michael Johnston</li></ul>
10.05 am	<b>Hon Dr Deborah Russell, Associate Spokesperson Education (Tertiary), Labour</b>
11.00 am	<b>What is the purpose of universities</b>
	<b>Speakers</b>
	<ul style="list-style-type: none"><li>• Em Prof Peter Walls</li><li>• Em Prof Anne Noble</li><li>• Prof Elizabeth Rata</li><li>• Chair: Dr Michael Johnston</li></ul>
12.40 pm	<b>Hon David Seymour, Associate Education Minister, ACT Party</b>
1.20 pm	<b>Academic Freedom</b>
	<b>Speakers</b>
	<ul style="list-style-type: none"><li>• Dr James Kierstead</li><li>• Dr Sandra Grey</li><li>• Prof Kendall Clements</li><li>• Jonathan Ayling</li><li>• Chair: Dr Michael Johnston</li></ul>
2.45 pm	<b>A Conversation with Distinguished Professor Peter Schwerdtfeger</b>
3.15 pm	<b>Research and research funding</b>
	<b>Speakers</b>
	<ul style="list-style-type: none"><li>• Prof Michele Governale</li><li>• Prof Garth Cooper</li><li>• Associate Prof Nokuthaba Sibanda</li><li>• Chair: Dr Michael Johnston</li></ul>
4.15 pm	<b>Hon Penny Simmonds, Minister of Tertiary Education</b>
4.55 pm	<b>Dr Michael Johnston to wrap up the day</b>
5.05 pm	<b>Keynote Address: Defending the Constitution of Knowledge: Jonathan Rauch on Free Inquiry and Truth-Seeking in Universities</b>
6.00 pm	<b>Closing thanks by Dr David Lillis</b>

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"The challenges our universities face are complex and deeply entrenched. Overcoming them will require boldness, creativity and above all an unwavering commitment to a free and open contest of ideas."

**Dr Oliver Hartwich**

Chief Executive, The New Zealand Initiative

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