

New models of tertiary education draft report
New Zealand Productivity Commission,
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The Terrace,
Wellington 6143
Submitted online

Rural Women New Zealand Submission 'New models of tertiary education' draft report

Introduction to Rural Women New Zealand

1. Rural Women New Zealand ('RWNZ') is a charitable member based organisation that reaches into all rural communities and advocates on issues that impact on those communities. We welcome the opportunity to comment on the Productivity Commission's ('the Commission's') draft report on 'New models of tertiary education inquiry'.

Overview of our submission: ensuring universal access for all in New Zealand's Tertiary Education system must be a key focus of the report

2. RWNZ feels strongly that the focus of this report must be on addressing issues around equity of access to Tertiary education, rather than designing market driven policies that disadvantage the less well off and ignore the fundamental public benefits of an inclusive education system. From this perspective we make the following points in this submission, which we expand upon below:
 - we strongly object to the proposal to reintroduce interest on student loans. In our view, this will make tertiary education even more inaccessible for many New Zealanders, particularly for lower socio economic groups, women and those living in rural parts of the country
 - we have concerns about the proposal for 'Individual Student Education Accounts' which seem to suggest that New Zealanders would only get a one time shot at Government funded tertiary education.
 - we think that Universal Entrance should continue to be based on the Governments National Secondary School Curriculum Standards.
 - we support innovation that is targeted at introducing more industry-based providers into the market. We think the establishment of more industry-based providers in agricultural subjects could overcome the lack of students pursuing tertiary education in this field.

Strongly oppose reintroduction of interest on student loans

3. We think that the Government should be doing more, not less, to facilitate opportunities for all students to attend tertiary education, recognising its public good value and the immense wider societal benefits of a well-educated population. The proposal to reintroduce interest on student loans does the opposite of this and unfortunately would

make tertiary education financially unachievable for many New Zealanders, particularly those from lower-socio economic groups. Women will also be unfairly disadvantaged by this change. Despite ongoing efforts to reduce the gender pay gap, women continue to have significantly reduced earning capacities as compared to men and as such will face higher repayments under an interest bearing loan scheme.

4. The impact and unfairness of this specific change for Rural New Zealanders also does not appear to have been given consideration in this report. Many students in rural areas are forced to relocate significant distances to access tertiary education and as result many end up with higher student loans because they have borrowed additional living costs. Unfortunately, unlike those in urban areas they don't have the luxury or the choice of staying in the family home to keep their student loan debt down. The prospect of an interest bearing student loan would we consider be a significant deterrent for these students in deciding whether or not to enter into tertiary education.

Concerns about proposal for 'Individual Student Education Accounts'

5. RWNZ also have concerns about the proposal for the establishment of 'Individual Student Education Accounts'. The paper suggests that accounts would be capped at an amount "equivalent to three years study". One issue with this approach is that it potentially denies less well off students with the option of studying more highly skilled professions, like law, engineering and medicine, which take longer to complete. From an equity standpoint we don't think that these professions should be limited to only those who have the financial means to afford ongoing study. If anything the government should be doing more to attract greater diversity into these professions.
6. Placing this type of cap on government support also leaves students in a position where they essentially have a one time shot at getting it right. Under current student loan criteria students have the opportunity to pursue up to 7 EFTS (or the equivalent of up to 7-8 years of study) with government assistance. This policy criteria provides students with the opportunity to change their mind and/or to re-educate themselves later in life. Making the right decision first time is an unfair expectation to place on many students today, particularly if (as suggested in the report) this money is made available from the tender age of just 16. According to Professor Jacqueline Rowarth at the University of Waikato "*There are over 4 times as many careers as there were in the 1970s and over ten times as many qualifications.*"¹ The cost of getting it wrong for students would be high under a student education allowance system. Ultimately we think that the opportunity to educate oneself and re-educate oneself should be an ongoing right throughout ones lifetime. Again, for us it comes back to recognising the fact that tertiary education benefits not just the individual but society as a whole and this applies also to ongoing adult learning.

University Entrance should remain

7. We also do not support the proposal to abolish University Entrance as a prerequisite for enrolment in University. In general, we think the rules around who can and cannot attend university should be based on the government's secondary school national curriculum framework, which should be functioning as reliable indicator of an adult's ability to progress to tertiary education.

¹ Rowarth, J. (2012). Market forces dictate career choices. NZ Grassland Association September 2012.

8. We think there are a number of issues with encouraging universities to set their own standards for entry. On the one hand there is the risk of universities attempting to become elitist establishments, akin to those in the United States and 'picking and choosing' students based on unfairly set entrance criteria, potentially excluding students from minority and socially disadvantaged groups. On the other hand there is the potential for new providers to enter the market and offer lower requirements for entry in an attempt to increase revenue, whilst setting many students up to fail.

Support opening the market up to a more diverse range of provider types particularly in agricultural subjects

9. RWNZ support the Commission in exploring new ways to provide students with greater access to a more diverse range of tertiary providers. In particular we think there is significant potential for more industry based education providers to be introduced into agricultural subjects. As stated in our initial submission on the Commission's report, the low number of students graduating with degrees in agricultural based subjects is a major concern for the future of New Zealand's agricultural growth and suggests a mismatch between the current tertiary system and workforce demand. Of the 20,000 degree graduates New Zealand produces every year only 80 are in agriculture.²

Conclusion

10. RWNZ thank the Commission for the opportunity to submit on the draft report. Please do not hesitate to contact me using the details below to discuss our submission further.



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² Rowarth, J. (2012). Market forces dictate career choices. NZ Grassland Association September 2012.

