



2016-11/008

T:/D102

21 November 2016

Productivity Commission

PO Box 8036

Wellington 6143

By email: info@productivity.govt.nz

Tēnā koe

Re: New models of tertiary education: Draft report

1. The New Zealand Nurses Organisation (NZNO) welcomes the opportunity to comment on the Productivity Commission's draft report on new models of tertiary education.
2. NZNO has consulted its members and staff in the preparation of this submission, in particular members of NZNO's Cancer Nurses' College, professional nursing, policy and research advisers.
3. NZNO represents 47,800 members and has almost 2,400 undergraduate student nurse members. There are also many thousands of nurses and midwives undertaking post registration education (38% of all practising Registered Nurses and 12% of Enrolled Nurses have an additional post registration qualification¹).
4. NZNO has previously provided comment on the Commission's earlier issues paper on new models of tertiary education and refer you to this document for further background information on nursing and nursing education. In this submission we have focused on a number of key areas for comment.

¹ Nursing Council of New Zealand. (2015). *The New Zealand nursing workforce*. Wellington: Nursing Council of New Zealand. P.7.

Student education account

5. NZNO note the proposal to change the funding model of tertiary education so that students have control over their own budget (excluding the costs of enrolling and living but including the costs of studying). This will be called a 'Student Education Account'. NZNO are concerned this will result in a number of inequities including:

- the risk that students who do not access the fund will miss out on accessing education for which they are eligible – there needs to be very clear guidelines and support for students at all levels of education;
- a lack of clarity regarding what happens when students use all their money and have still not gained a qualification – some students require more support than others to complete a programme of study and are at risk of achieving a partial completion if funding runs out which would be a loss to all concerned;
- a lack of clarity regarding who will support students to make informed decisions regarding available educational opportunities and institutions – the process for applying to enter a tertiary institution is often daunting and needs to be more streamlined and friendly.

NZNO are concerned that direct marketing and an elitist system that targets those most likely to complete a qualification are likely to be a direct result of this proposal.

Abolishment of University Entrance

6. The most important requirement of a student before they start tertiary study is that they are prepared for the realities of study at this level. While university entrance may provide an indication of potential achievement, many institutions currently offer programmes of study to prepare students for university study anyway and this system allows specific targeted study in the area of interest. For example, many ITPs offer a foundation course in nursing which enables those who have not got university entrance to prepare for study at the tertiary level, focusing specifically on topics of relevance to nursing, and the literacy and numeracy skills required. This has proven a very effective pathway for supporting students into the Bachelor of Nursing. Some members are concerned the abolishment of the university entrance exam (or overseas equivalent) would remove a national benchmark for assessing the calibre of applicants and their likelihood of success in completing a variety of educational programmes such as the Bachelor of Nursing.

Increasing interest rates on student loans

7. NZNO has received mixed feedback on this suggestion. Members who do not support the proposal contend that the present system has resulted in students starting their working life with crippling debt that, for some, is unlikely to be paid back in their lifetime at the given rate – this is particularly the case for students who complete qualifications where the income gained is not sufficient to enable timely repayment. These members argue that requiring graduates to also pay interest on their loans will further disadvantage them and impact in the long term on their ability to obtain housing, start a family and restrict other financial goals – particularly for women.
8. Those who are uncertain argue that the current scheme favours those who could largely afford to go to university anyway, has done little to improve participation rates and acts a disincentive to pay back student loans at all. If the cost savings resulting from reinstating interest charges could be targeted directly at enhancing lower decile students' preparation for university at an earlier point in the education system, then returning interest charges to the student loan scheme could have benefits that far outweigh the nominal interest charges incurred by those who have achieved an education. This would be reliant on specifically assigning the cost savings to targeted areas for development and on ensuring those who struggle to gain a salary commensurate with their qualifications not being disadvantaged. For example, nurses must complete a bachelor's degree qualification in order to practise, however wages in DHBs (the highest paying sector) top out at \$66,755 (\$32 per hour) after 5 years of experience and do not increase after that point. Nurses are also often the primary income earners within their household – 76% of nurses contribute half or more of their salary to the total household income.² Repayment rates must take such factors into consideration.
9. However, regardless of the above points, NZNO would like to see free education for all students and removal of the student loan scheme in its entirety. Education should be an investment in the future of this country and NZNO supports exploration of ways in which this can be achieved e.g. through taxation.

² Walker, L. (2015). *NZNO Employment Survey 2015 Our nursing workforce: condition deteriorating*. Wellington, New Zealand. Retrieved from [http://www.nzno.org.nz/Portals/0/publications/Employment Survey RAP sheets, 2015 fv.pdf](http://www.nzno.org.nz/Portals/0/publications/Employment%20Survey%20RAP%20sheets,%202015%20fv.pdf)

Allowing international providers to offer courses in New Zealand

10. NZNO has a number of concerns with this proposal. The government should not support new providers unless they are offering programmes that are currently unavailable in New Zealand. New courses must complement rather than compete with or replace New Zealand education, particularly with respect to cultural identity, and providers must be required to hold the same high standards as local providers. It is important to note that many courses are already available internationally either online or by attending locally or internationally. Nurses have been obtaining post graduate qualifications overseas for decades and this practice continues today where nurses with a specific specialist focus cannot obtain access to relevant courses locally. For example, a stomal therapy course is available online through an Australian institute and is well utilised by New Zealand nurses. Many nurses have also completed professional doctorate programmes through Australia.

Unbundling research and teaching

11. This proposal is supported by members. The current focus on research has shifted the attention of some who excel at teaching into research – sometimes at a cost to teaching. While research into teaching practice is to be encouraged, and is the focus of many nurse educators, excellence in teaching practice is a different mandate. It will be essential that educators are equally as supported as researchers if the two are to be separated. There is value in both career pathways but it is teachers that inspire and motivate our learners, encouraging people to pursue career pathways that are of value. Under no circumstances should research be valued any more highly than teaching – a two tier system of payment and recognition should not be allowed to develop. Teachers should still be required to remain abreast of the latest research in their specialist area of teaching in order to ensure they are teaching the most recent subject matter.

Allowing institutions to self-accredit

12. NZNO has a number of concerns regarding this proposal. In the case of nursing, there is an external body that provides accreditation to nursing education providers (Nursing Council of New Zealand) and NZNO does not support any changes to this approach. However, this is not the case with other courses of study. Ensuring quality courses at present is problematic. The current case of students unable to complete a personal training course despite investing thousands due to an issue over who owns the training establishment is concerning (<http://www.stuff.co.nz/business/85836240/Students-fear-for-their-qualifications>). If this is happening now, then self-accreditation is likely to exacerbate

these types of issues. Allowing self-accreditation may result in anyone hanging a sign on the door and claiming to be a provider, with a commensurate risk to students.

13. Some members did see that self-accreditation may be useful if limited to issues such as easier transition to different courses or recognition of prior learning.

Making the system student focused

14. NZNO strongly support this proposal. The system is currently heavily weighted in favour of the provider. For example, transferring between courses, gaining prior recognition and/or shifting institutions are all challenging processes made more difficult by bureaucratic processes that cause significant delays and can result in a student choosing to exit a programme. Students should be the priority.
15. NZNO support a model where students, graduates and the community are involved in curriculum development and review processes.
16. Members support the need for a stronger focus on pre-entry skills with an emphasis on literacy, health literacy, numeracy, financial literacy, social and work skills, and life skills.
17. Members also support a Whānau Ora approach to education, involving self-determination, cultural identity and promoting best outcomes for whānau.
18. NZNO agree with the TEU that students should be considered in context to their wider social, community and family connections.

19. NZNO refers the Commission to our original submission on the Commission's issues paper on new models of tertiary education for further background information.
20. As an affiliate to the CTU, NZNO supports the CTU, PPTA and TEU submissions to the Productivity Commission.
21. Please do not hesitate to contact me if you have any questions regarding the content of this submission.

Nākū noa, nā



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NEW ZEALAND NURSES ORGANISATION (NZNO)

NZNO is the leading professional nursing association and union for nurses in Aotearoa New Zealand. NZNO represents over 47,000 nurses, midwives, students, kaimahi hauora and health workers on professional and employment related matters. NZNO is affiliated to the International Council of Nurses and the New Zealand Council of Trade Unions.

NZNO promotes and advocates for professional excellence in nursing by providing leadership, research and education to inspire and progress the profession of nursing. NZNO represents members on employment and industrial matters and negotiates collective employment agreements.

NZNO embraces te Tiriti o Waitangi and contributes to the improvement of the health status and outcomes of all peoples of Aotearoa New Zealand through influencing health, employment and social policy development enabling quality nursing care provision. NZNO's vision is *Freed to care, Proud to nurse*.