



**National Council of
Women of New Zealand**

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Submission to the Productivity Commission on the draft report New Models of Tertiary Education

The National Council of Women of New Zealand, Te Kaunihera Wahine O Aotearoa (NCWNZ) is an umbrella group representing 283 organisations affiliated at either national level or to one of our 21 branches. In addition, about 260 women are individual members of branches. Collectively our reach is over 290,000 with many of our membership organisations representing all genders. NCWNZ's vision is a gender equal New Zealand and research shows we'll be better off socially and economically if we're gender equal. Through research, discussion and action, NCWNZ in partnership with others, seeks to realise its vision of gender equality because it is a basic human right. This submission has been prepared by the NCWNZ Education Standing after consultation with the membership of NCWNZ.

1. Executive Summary

- 1.1. NCWNZ already has policy on a number of issues, and therefore supports recommendations to increase the provision of good career advice to young people but does not support the recommendation to re-introduce interest on student loans as this has been shown to be discriminatory against women. A cautionary tale is also given from the Early Childhood Education and Care Sector (ECEC Sector) on potential problems with promoting mixing courses from different providers.
- 1.2. NCWNZ members mainly discussed their opinions on the Student Education Account, although a lack of detailed knowledge of the current and proposed tertiary funding systems created some misunderstandings among the members and therefore proposed many conflicting views. Overall, however, NCWNZ articulated their concerns that any system must keep tertiary education affordable for all NZ citizens, and especially for women who might want to undertake re-training after having time out from the workforce doing the important job of raising children. The gender pay gap for those in the workforce should be taken into account when using the assumption that higher education levels result in higher income.
- 1.3. Members would like cooperation between tertiary institutions as much as competition. They expressed concerns about the insecurity of funding for such institutions and the effects on their planning, on student choices, and especially on the job security of women in tertiary institutions whose jobs often tend to be more vulnerable than that of men.

- 1.4. Finally, members had general concerns on a number of issues, including the long term security of the funding when governments are prone to changing policies on a regular basis, the wisdom of entrusting young people to make definitive long term decisions, the need for simplicity in the system in order to be able to easily access entitlements, and doubt as to whether the Student Education Account (SEA) system as proposed would actually address the issues it purports to.

2. Feedback on Recommendations

R12.6 Mix and Match courses

- 2.6.1. The recommendation that students should be able to mix and match courses from different providers needs to be treated with some caution, especially if there is the idea that a variety of courses will add up to one overall qualification. During the 1990s, there was a system for ECEC qualifications that tried to accommodate parts of training from a wide variety of sources. It was confusing for the New Zealand Qualifications Authority (NZQA), for providers and for students, and did not meet the needs of industry because many students did not end up with a coherent base of knowledge and skills. The system was abandoned in the 2000s in favour of a recognised Diploma/Degree. Since ECEC is a sector that employs predominantly women, the changing regulations and the uncertainties adversely affected women. This is a case study example of how not to provide “mix and match” options.

R12.9 Career advice

- 2.9.1. NCWNZ supports the provision of good career advice that is recommended here. The following quote is an example of the views of many of NCWNZ members, made in relation to the proposed Student Education Account:

There would need to be significantly increased provision of course and career guidance made available to potential students before they commit to a program of study.

- 2.9.2. The central role of sensitive and informed career advice to break down the gendered participation in different school and tertiary subjects and qualifications is being highlighted in the work, led by NCWNZ, on the NGO alternate report on New Zealand’s progress to meeting its obligations as a signatory of the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). Good career advice has the potential, for example, to encourage girls to consider trades as a career option, and boys to consider roles in the caring and health sectors. The breaking down of gender segregation in different types of studies and subsequent employment is a necessary part of addressing the gender pay gap that is large and persistent in Aotearoa New Zealand. NCWNZ’s vision of a gender equal New Zealand requires elimination of the gender pay gap.

R12.29 Interest on student loans

2.29.1. NCWNZ does not support re-introducing interest on student loans, because of the gender discrimination it generates. The NZ Union of Student Associations report on tertiary income and spending¹ shows this discrimination clearly, as this quote shows:

According to the Student Loans Scheme Annual Report 2014 the median repayment time is 7.1 years for men and 7.4 years for women. ... In 2005, prior to the introduction of interest-free student loans, the average repayment times were 14 years for men and 28 years for women. This was due to women graduating with higher debt but mostly because women earn lower wages when they are working post-study and because women are more likely to take time out of the workforce. Lower wages and higher debt meant that women were more likely to be “flat-lining” with their repayments – making payments but not even meeting the interest charged so the principal was never reduced. Interest-free student loans dramatically improved repayment times and significantly reduced the gender imbalances inherent in the student loan scheme. (NZUSA, 2014, p. 14)

2.29.2. To re-introduce interest on student loans is to re-introduce a form of gender discrimination that has been largely eliminated.

3. Student Educational Account

3.1. The draft report has proposed the idea of a Student Educational Account (SEA) and invited feedback on the idea. NCWNZ members discussed the idea widely, and this section contains some of the major themes in their feedback.

3.2. Many people found it difficult to comment without knowing more precise details. They acknowledged that since they had experienced the current provider-based funding system, they found it hard to conceptualise the differences that would be generated by a student-based funding system. This is an example of such comments:

I served as a community representative on a polytechnic board many years ago and my brain only understands the existing method of EFTS and funding.

3.3. This was even more the case for those who did not work in the education area. It highlights the benefits of having educational policy expertise when responding to this sort of proposal.

The gender pay gap

3.4. Most NCWNZ responders were more concerned that people studying should be adequately supported, rather than being concerned with making sure everyone had an equal share of government funding. This was particularly seen as a problem for women who often re-train for different employment after having children. For example:

¹ NZ Union of Students' Associations (2014) *Tertiary income and expenditure survey*.
http://www.students.org.nz/income_and_expenditure_survey

It will depend where they live as all get the same amount of SEA Funding. Some will have greater expenses than others. In addition with educational technology changing so rapidly teachers may have used up their entitlement before they really need it. Also a teacher who eventually gets into management may have already used up her entitlement at the subject teaching level.

Some women returning to work after having children may have used all their SEA funding prior to starting a family. If they want to train for a new occupation or need to update their training because of job changes occurring while having children they will either have to do this at their own expense or not do it all. For these women the lack of funding would be a real barrier to getting on with their lives and would discriminate unfairly against women.

Several examples were given of school leavers who completed a qualification and later re-enrolled to study and up-skill e.g. a chef choosing to study to become a nutritionist, a university graduate choosing to study law; another choosing to study medicine. Many of these “later learners” are women. We questioned whether the funding would be there for them to undertake this second qualification.

- 3.5. The principle behind the suggestion that everyone receive an equal amount of funding is the human capital argument that increased educational investment results in increased income in the future. Whilst this has been shown to be true overall, it is also true that men will receive more of this type of benefit than women, because of the persistent gender pay gap in Aotearoa New Zealand. Until the gender pay gap has been eliminated, any policy which is based on the assumption of increased future earnings will discriminate against women.

Increased job insecurity for women

- 3.6. One major concern of the SEA system of funding was the uncertainty that would be generated for tertiary institutions, and the effect of this on institutions’ planning and the flow-on effect for the students. There is already a growing casualisation of the tertiary education work force, with casual and fixed term contracts becoming more prevalent, and this has a gender component to it as there are more women in these types of positions, particularly part-time positions². Members said:

If there is more of an “open market” in terms of course selection some courses may not run due to low enrolment numbers. Staff could be laid off as a result and often the first to go are part time staff who are generally females.

I wonder about job security if the Government can change the focus from one course to another without any consultation with the tertiary sector. Often jobs are lost and women can be the first to lose their appointment.

Such a system would give a lack of programme security at tertiary institutions. This in turn would affect job security especially for the part time staff employed on a programme by programme basis. Many of these are women.

² TEU (Tertiary Education Union). (2013). *The state of the tertiary education sector in New Zealand – 2013*. http://teu.ac.nz/wp-content/uploads/2014/11/TEU_Final_Report.pdf

Cooperation, not competition

- 3.7. NCWNZ members had a general concern that the SEA system was based on the mechanism of increasing competition amongst providers to generate responsiveness and innovation. Members were generally of the opinion that too much competition was detrimental to the whole system, and that cooperation between institutions should be encouraged instead, for example:

Is this based on the assumption that a competitive tertiary sector improves quality? Difficult for long-term planning around infrastructure and courses to offer.

Competition between providers can be healthy, but too much can be unhealthy

- 3.8. Related to this was the idea that reputations of institutions do not always reflect what is currently happening in that institution, as these responses indicate:

Reputations move more slowly than practice, so an institution can be more responsive, but still not attract the students needed. I worry when competition is used to motivate institutions to do better. It can be corrosive and reputations move much more slowly than the actuality, so that an institution could be brought to its knees before a change for the better is noticed. Then the supposedly 'good' providers could be swamped and no longer do such a good job.

It takes time for new courses to become established with a reputation as the 'best'.

Young people making long term decisions

- 3.9. NCWNZ members expressed their concerns at the responsibility placed on young people in terms of spending their SEA wisely. A large proportion of NCWNZ members are mothers, and grandmothers, and their comments reflect their knowledge of young people with the benefit of hindsight:

Budgeting how to spend your SEA money may present difficulties for young adult women. How can they budget wisely for the next 30 years or so when they don't know what technological and life style changes are ahead which will affect their employment opportunities?

Would students be able to identify what a "good" provider is? Would it come down to those who know how to market themselves or provide "popular" courses?

I spoke with my daughter in law (in her forties) and she considered the SEA funding to be a financial liability for the students. As she pointed out, a 16 year old doesn't look 10 years into the future. She also cited an example of a colleague in her workplace who at 45 years of age has only just paid her student loan back.

Big responsibility at such a young age, depending on maturity of young person (assessing needs vs wants). Could be overwhelming for some students.

Not all young people are prepared to make a decision about their future career/careers at the age of 16 ... Could a woman who is returning to the workforce use the SEA for extra education qualifications?

Effectiveness at addressing the issues is doubted

- 3.10. Whilst NCWNZ agreed with many of the problems with tertiary education that the report identified, they did not always agree that the solutions proposed would solve those problems. There were a number of these types of comments:

This makes no positive difference for students. The most negative is that programmes they wish to study may no longer be available because of funding uncertainties.

Tenure [for staff] would depend on student demand for courses which may result in courses being adapted to be “popular”.

The argument that this provides students with a greater choice is specious. Students currently have plenty of choice. This change serves as a cost cutting measure which would probably benefit PTEs rather than the more academically rigorous Polytechnics and Universities.

Would suit a narrow range of students - younger, mobile.

- 3.11. Members were concerned about the affordability of tertiary study, particularly for women. The SEA system as proposed would increase fees, as the money that is currently subsidising fees would be placed in SEAs. This could have the effect of actually taking money out of the tertiary system overall, as suggested in these comments:

It is understood that not all people will undertake tertiary study. This means that money that would have been invested in tertiary education is lost to the system.

While this proposal may be an enabler for some, for example second chance learners, it appears there is a trade-off between money going directly to the learner and funding not going to the institution.

- 3.12. Such a system will place a disincentive for those women re-training to enter the workforce after a parenting break.
- 3.13. Further, NCWNZ members do not see that an SEA system would address the issue of choice or access to study or employment:

Don't think funding scheme will help children study. People being pushed into study, then people with degrees in e.g. poetry are out digging ditches.

Women may choose courses that appeal rather than those that appeal AND have potential career and employment outcomes where they can progress positively. They may also choose courses that are traditionally female dominated and low paid.

Policy changes over time

- 3.14. NCWNZ members were concerned about the long term nature of the SEA system, and the potential for future policy changes which might disadvantage those who had not already used their allocation. They were also concerned about the possible complexity of the system, which could discourage people from accessing their allocation. These comments are examples of such concerns:

There is no security about the amount of money that is going to be allocated to each student. If the Government decides that a particular occupation is what the country needs they are able to take money from the individual allowances to give to others (the policy of loading) who are tempted to do that particular course.

If the government is taking money from one person's account to another as is described above – how will they decide how this is done? If this is made on the premise that it has not been accessed then it may disadvantage women who want to up-skill later in life.

Loading factors a concern - when embarking on a course students may not have certainty the funding will remain until completion.

How would this scheme be administered? Examples were given of frustrations with the present system that is less complex than this proposal.

How difficult would it be for a woman to access her SEA funding when she needs it? Over the years it has become much more complex to access social welfare benefits for instance. For SEA funding to work access must be straightforward and simple.

4. Conclusion

- 4.1. NCWNZ is appreciative of the opportunity to give feedback on suggested changes to the tertiary education system, and our opinions on the proposal for a new funding system. This allows us to discuss the issues in more general terms than when we are giving feedback on almost fully developed legislation.
- 4.2. We feel it is important to consider any changes to the tertiary education system from a gender perspective, because a gender equal New Zealand will not be achieved unless there is positive action to remove the discrimination within our society. The removal of interest on student loans is an example of one such positive action, and we would therefore not like to see this introduced. Positive action is also needed to address the gender pay gap, as without eliminating this discrimination some of the changes suggested in this draft report – specifically the Student Education Account funding – would exacerbate rather than ameliorate discrimination against women.
- 4.3. Finally, NCWNZ is pleased to be able to present the opinions of women from a wide variety of backgrounds for consideration by policy makers. It is important that women have the opportunity to participate fully in political life, and are able to influence society around them – with tertiary education being an important part of that society.



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