## Victoria University of Wellington Students’ Association

## Submission on the “Education (Tertiary Education and Other Matters) Amendment Bill”

**To the Education and Science Select Committee**

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# **VUWSA submission on the ‘Education (Tertiary Education and Other Matters) Amendment Bill’ 2017**

### **Introduction**

Thank you for the opportunity to make a written submission on the Education (Tertiary Education and Other Matters) Amendment Bill. **We also wish to make an oral submission to the Committee.**

This submission is made on behalf of the Victoria University of Wellington Students’ Association (VUWSA). VUWSA is the voice of the 22,000 students at Victoria University of Wellington. We were set up by students right after the University opened its doors for lectures in 1899. Our founders knew that students were the best people to represent students; and ensure the University was delivering the quality of education, experience, community, and facilities that students needed.

The staff and students at Victoria University of Wellington have been discussing the Education (Tertiary Education and Other Matters) Amendment Bill. As part of these conversations

students have expressed their concerns about the changes that have taken place in the tertiary education sector. The competitive, market-driven approach to funding and decision-making now embedded in the tertiary education sector, has created an environment that would allow for the diversion of public teriary funding into for-profit teriary institutions. Moreover, students are concerned about the impact of the Bill on New Zealand and their desire to ensure ongoing access to quality, publicly controlled tertiary education for all who want it.

Students have asked VUWSA to make a submission opposing the Bill. In particular, the new section 159NA, which gives private tertiary institutions equal funding to public ones. In addition to this there is opposition to the amendment to section 159(1), which changes the name of private training establishments to “independent tertiary establishment”. This disguises the fact PTEs are run for profit, not public good.

VUWSA has already witnessed some of the barriers and hardships that students from vulnerable backgrounds face within tertiary education. To allow for the diversion of public tertiary funding into profit-driven private institutions would not only disadvantage all students in New Zealand, but would add another substantial barrier to those whose pursuit of higher education is already difficult. For many students at Victoria University of Wellington, education is the key to escaping intergenerational cycles of poverty. It is wrong to make that process more difficult by limiting funding provided to public tertiary institutions and putting public money into the hands of private tertiary institutions.

We are concerned that providing private tertiary institutions with equal funding to public tertiary institutions will mean that less funding is going towards public ones. The primary focus of public tertiary institutions is to provide quality education. Public institutions like Victoria University of Wellington are accountable to their communities and their students. They have a number of organisations external to the institution itself, such as VUWSA, which question the university and provide a student perspective when it comes to decision-making around the quality of education. The concern is that private institutions are less likely to face the same expectations that public institutions do to provide the highest quality of education because they are more accountable to their shareholders, than external organisations which represent students.

We are a small country with excellent public tertiary education providers and a number of community not-for-profit providers who give many learners a second chance at education. We would question how opening up the sector even further to for-profit providers supports our public providers who are committed to the communities they work within and to our national and local tertiary education needs.

### **Approach to the submission**

Our submission focuses on a number of clauses relating to the tertiary education sector, rather than a clause-by-clause analysis of the whole Bill. We state our opposition to, or support of, each clause.

### **Clause 9 Amends section 159 (Interpretation)**

###### *Changing the term ‘private training establishment’*

VUWSA recognises that private provision of tertiary education covers a wide variety of ownership arrangements. We have always made the distinction between for-profit and not-for-profit providers and would like to see clearer definitions of provider-type in the sector. This would assist students in understanding the choices offered for their education and training needs.

We therefore propose the following:

1. For-profit providers continue to be referred to as private providers, but that consideration be given to the term ‘private tertiary education providers’, reflecting their private interests beyond the provision of tertiary education and training.
2. Not-for-profit providers are referred to as ‘community tertiary education providers’ recognising their special status as community or iwi/hapū providers, with their funds being used solely for the provision of tertiary education and training to their communities.
3. Alternatively a clear distinction is made by naming providers ‘for-profit or ‘not-for-profit’ providers.

VUWSA does not support the use of the term ‘independent tertiary establishment’ because this could be construed to imply that universities, ITPs and wānanga as public institutions do not act independently from government or other influences. This could particularly undermine the academic freedom, critic, and conscience provisions of the Education Act. It also implies that these providers are independent of powerful political and economic forces that operate in every society. This is clearly untrue, particularly when we consider the control major financial interests have in private education and training worldwide (for example the Pearsons Group).

VUWSA does not support this amendment.

### **Clause 11 Amends section 159M (Restrictions on design of funding mechanism)**

The high levels of monitoring and compliance now expected of the tertiary education sector require significant time and resources from providers and from the sector’s agencies. This is a feature of market-driven and competitive models. Organisations like the Tertiary Education Union have consistently argued that a market model is the wrong model for the sector. Quality, accountability and transparency can be achieved through more collegial models of governance in a publicly controlled sector, with better planning of provision and delivery within the sector, rather than the system’s current heavy reliance on Ministerial decision-making.

VUWSA is concerned at the degree to which an individual Minister is currently able to determine the design of funding mechanisms as already outlined in the Act. We are also concerned that this proposed amendment allows further interference by the Minister, rather than a more consultative approach with the sector.

VUWSA does not support this amendment.

### **Clause 12 Inserts new section 159NA (Funding mechanisms consistent with the principle of equal treatment…)**

These amendments seek to further open up the sector to private for-profit providers by legislating what is currently funding policy. It is much more difficult to change legislation than policy; this amendment will allow even greater numbers of off-shore providers and other for-profit providers to ‘set up shop’ here, notwithstanding the quality assurance processes these businesses would be required to meet before attaining programme approval.

This amendment also reinforces the market model the tertiary education sector is currently forced to operate under, which has placed the sector under considerable strain. It will further undermine public institutions which first and foremost are set up to serve the public good and will allow profit-driven companies to gain even more public funds to bolster their business. Such an approach is unlikely to ensure the tertiary education sector can deliver broad-based programmes as part of a nationally agreed plan that meets community, iwi/hapū, business, industry and service provider needs. Instead this proposal would open the door even further to profit-driven private providers whose priority is achieving a financial return for themselves and/or their shareholders.

VUWSA fails to comprehend how increasing competitiveness in the sector through such measures will contribute to greater productivity and innovation; there is already ample evidence showing the negative impacts of funding instability and ad-hoc responses to tertiary education needs, especially in our ITP sector.

Private for-profit providers, unlike public providers, do not maintain significant capital investments and resources. Our public providers are committed to the communities they work

in, and have worked hard over the past couple of decades to improve their response to a much more diverse student body. This is particularly noticeable in the work that has taken place to support Māori learner achievement. The sector knows there is more work to be done to ensure achievement rates for Māori match their non-Māori counterparts, but as public institutions, they know they are accountable to government, whānau, hapū and iwi in a way that private for-profit providers are not.

The investment taxpayers make into our public tertiary education institutions also ensures staff are properly paid and supported with professional development, time for research and so forth. There is nothing in place to stop private for-profit providers cuting costs of delivery by offering much lower rates of pay and working conditions for their staff (how do we know this? It’s a pretty bold statement so if we don’t have evidence to back it up it’ll get shot down pretty quick), and subsidising their profits with taxpayer money. Our taxpayer investment should not be used to prop up these companies and legitimise their poor employment practices.

Whilst this amendment proposes equal treatment in funding for providers, in fact this is inaccurate – equal treatment would be all those offering tertiary education in our sector being required to invest any unspent taxpayer funds directly back into the provision of teaching, learning, research and support services. This equalisation of funding proposal treats providers differently, allowing some providers to personally benefit from taxpayer funding whilst others must either return funds to the TEC or invest back into their institution. Our experience of the private sector in New Zealand is that this profit is achieved by paying teaching staff significantly lower than their peers in public institutions, and ratcheting down their working conditions. In addition, public institutions are required to maintain extensive resources such as libraries, laboratories and so forth – which private providers do not.

VUWSA does not support this amendment.

### **Clause 14 Inserts new section 159OA (Variation of determination of design of funding mechanisms**

The issue originally provided for making these changes (providing additional funding quickly when demand increases for quality programmes) becomes obsolete if funding was based on stable broad-based provision across the sector, coupled with thorough analysis of future national and international demographic trends and occupational outlooks. Under this model a three-year investment plan cycle could be the standard model for public and community providers. This would ensure longer-term stability in funding, whilst also providing sufficient time for trialling new programmes or courses or other innovative approaches. Other than a disaster of the nature of the Canterbury earthquakes, we cannot see what other circumstances would warrant a ‘quick fix’ approach such as that outlined in this amendment.

VUWSA does not support this amendment.

### **Clause 36 Amends section 253C (Minister may consent to registered establishments using certain terms in their names)**

The current clause allows registered establishments to apply to use the term ‘university’ ‘college of education’ or ‘institute of technology’. The amendments seek to extend this provision to wānanga. We note that some universities and ITPs have already adopted the terms ‘wānanga’ and ‘whare wānanga’ which in our view should not be permitted – these terms have a very specific meaning and it is inappropriate for our other TEIs or other providers to use them. These institutions or providers should consult with iwi/hapū of their regions for more appropriate names.

We must also note that whilst the amendment does not address this, we are concerned that currently the section allows private training establishments to seek to use these terms. Allowing largely privately-owned establishments to be considered for consent to use these terms undermines the integrity of our public system of univerisities, ITPs and wānanga, and should be of concern to these institutions, the sector and the government.

VUWSA is of the view that the use of the terms ‘wānanga’ and ‘whare wānanga’ should be limited to our exisiting wānanga (Āwanuiārangi, Raukawa and Aotearoa) and any other future institutions of this type. These three public provider types each have a core mission – their names should reflect this and should only change if this core mission changes.

VUWSA does not support this amendment.

### **Clause 37 Amends section 292 (Offences relating to the use of certain terms)**

VUWSA supports this amendment

### **Clause 38 Amends section 292C (Offence to issue false qualifications and falsify records)**

VUWSA supports this amendment.