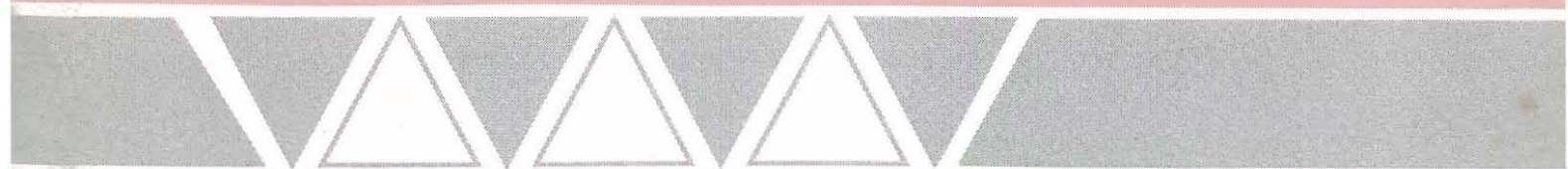


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**N E W Z E A L A N D
U N I V E R S I T Y S T U D E N T S
A S S O C I A T I O N (I N C).**

Annual Report
1989





NZUSA 1990 Federation Executive

*Back row (left to right): Bruce Cameron (MUSA), Des Amanono (AUSA), Simon Rudd (OUSA),
Michael James (LCSA), Leanne Hansen (VUWSA)*

*Front row (left to right): Frank McLaughlin (Vice President), Andrew Little (President),
Suze Wilson (UCSA)*

Absent: John Craig (WSU), Ann Webster (Treasurer)

Accountants: Curtis Maclean

Lawyers: Morrison Morpeth

Auditor: Peat Marwick

Bank: Bank of New Zealand

President's Foreword

1989 was a year of consolidation and development for NZUSA, the national federation of university students associations.

The year began with the Federation Executive setting a number of objectives for the year, covering

- the campaign against fees and student loans
- the student summer employment assistance scheme
- cost-recovery fees for overseas students
- students allowances, and
- the Southern Africa Scholarship.

The campaign against student loans and fees enabled the federation office and NZUSA constituents to consolidate activist organisation on campuses with the result that activism was considerably strengthened. The campaign also enabled the Association to develop its relations with media, so raising the organisation's public profile.

1989, once again, showed NZUSA to be a serious contender in the public debate over higher education in New Zealand.

The organisation's resolve on the critical issue of access to education has not in any way been diminished by the introduction of the \$1250 tuition fee for 1990. At the end of 1989 planning for a partial boycott of the fee, announced in September, was proceeding apace.

The federation succeeded in its quest for the establishment of summer employment assistance for students following a disastrous summer in 1988/89 when student unemployment doubled from the previous year. The 1989/90 scheme will be paid for from savings in unemployment benefits to students.

While most private overseas students will be confronted with the spectre of full-cost fees for the first time in 1990, many will receive concessions granted by the Government late in the year when it acknowledged that many such students were advised of the policy change at an unreasonably late stage in their applications for enrolment.

The student allowances scheme had its first year of operation in 1989, and the Association undertook a review of the scheme's operation during the year. While many students stood to gain financially from the scheme, others were to suffer a fall in income, and it was important to identify the effects of this.

The Southern Africa Scholarship Trust welcomed its fifth scholar, Ms Nonhlanhla Mtshali, and enjoyed another successful year of fund-raising.

In 1989, NZUSA enjoyed a satisfactory year financially, and the growth in the number of students across the country once again enabled the Association to avoid a levy increase, further reducing its cost to students in real terms.

At the close of the 1980's NZUSA stands in good stead to continue to advance the interests of students and to contribute positively to the development of the higher education system of New Zealand. NZUSA is set to meet these and the many other vital challenges of the 1990's with considerable vigour.

Andrew Little President

December 1989



NZUSA President Andrew Little addresses students at a rally outside Parliament

Learning for Life

The Government's major statement on proposals for the reform of tertiary education policy was released on 20 February 1989.

Under the title **Learning for Life**, the statement outlined plans to

- * extend responsibility for all of tertiary education to the newly established Ministry of Education. The Ministry would have responsibility for all education from early childhood to the tertiary sector and would have "a particular emphasis on employment and labour market needs throughout the entire education process...."
- * abolish the University Grants Committee, which advises the Government on University funding needs and allocates grants to universities
- * make all tertiary institutions independent with full control over all their assets
- * give polytechnics the power to confer degrees, although ensuring that they retain their emphasis on vocational training
- * restrict the use of the name 'university' to institutions conforming to certain characteristics and, to protect the use of the word 'degree'
- * require all tertiary institutions to compile a charter outlining the character and goals of the institution and a corporate plan setting out specific performance targets, including 'equity goals'
- * reduce the number of persons on an institution's Council to no more than 20
- * subject institutions to periodic review by the Ministry's Education Review Office as well as by the Auditor-General
- * change the funding formula and mechanism by which institutions receive funding
- * raise tuition fees considerably and provide loans to students either through a Government-run agency or through private trading banks
- * establish the National Education Qualifications Authority to co-ordinate qualifications, validation and accreditation

- * introduce a new industrial framework which redefines who the employers of staff are and the conditions under which staff are employed.

Learning for Life concluded several major reviews of the tertiary education sector conducted since 1986, and arose out of the Government's deliberations on the last of these, the Hawke Report (Report of the Committee on Post-Compulsory Education and Training, chaired by Professor Gary Hawke) which was released in September 1988.

However, the February statement was only the beginning of a process of further deliberation. Having announced its policy intentions, the Government and the Department of Education established 17 working groups, purportedly to finalise the details of the policies just announced. A large number of interest groups and organisations, including NZUSA, were invited to nominate individuals to sit on the working groups.

The NZUSA Federation Executive declined to make any nominations to the working groups on the grounds that, like the student loans proposal, all of the other policies in **Learning for Life** were directed towards shifting the responsibility for tertiary education away from the public sector to the private sector. In addition, the working groups were given between six and ten weeks to finalise in most cases very complex policies. The Federation Executive considered that the time line to which the groups were required to work precluded them from having a genuine input into the Government's final decisions.

The Federation Executive's judgement proved to be correct.

Members of a number of the working groups found they were presented with recommendations drawn up by Government officials and where groups arrived at their own conclusions, these were frequently ignored by the Government.

In August, The Government released a second edition of **Learning for Life** which outlined the Government's 'new decisions' on their tertiary education policy. **Learning for Life Two** outlined details on charters, corporate plans, the membership of Councils, funding and the establishment of the National Education Qualifications Authority.

Concern was expressed by a large number of organisations about the threat to academic freedom and to the independence of institutions which the centralised funding and validation procedures posed.

From September to December, institutions prepared their interim charters which were required to be completed by 15 January. In setting their charters, institutions were required to consult staff, students and the "communities to which they are accountable".

In October the Government introduced the Education Amendment Bill into Parliament to start legislating for some of the **Learning for Life** changes. The Bill provided, amongst other things, provided authority to admit foreign students on a full-cost fees basis and provided for Councils to set fees for domestic students with the consent of the Minister of Education. Previously, fees for domestic students were set by Councils with the concurrence of the University Grants Committee.

In its written and oral submission on the Bill, NZUSA called for, amongst other things, greater protection for domestic students when it came to admitting fee paying foreign students into restricted courses.

Campaign 1989

1989 saw NZUSA launch and sustain one of the most active and intense campaigns in its history.

The campaign against higher tuition fees was instigated in mid-January when the NZUSA Federation Executive resolved to oppose rather than negotiate with the Labour Government over its decision to expand the user pays principle in tertiary education. That decision was strongly criticised some months later by various Government Ministers when the strategy that resulted from it, undermining the commercial sector's confidence in the proposed scheme, started to take effect.

The decision not to negotiate was not taken lightly. At the time of choosing to oppose the loan scheme, NZUSA predicted that if it successfully met its objective, the Government would respond with an up-front fee.

Two factors underpinned NZUSA's decision. Firstly, NZUSA did not accept the Government assumption that the loan scheme was a better alternative than an up-front fee. The details of the scheme announced in February were, in NZUSA's opinion, arbitrary, and were likely to get progressively tougher as the cost of the scheme grew. Later events confirmed that belief. Secondly, and more fundamentally, NZUSA was in for the long haul. While it would be difficult for the federation to directly undermine an up-front fee scheme, any action taken against it would succeed in keeping the issue of user pays in education to the forefront during the 1990 general election hustings.

The task for NZUSA from January onwards was to translate that principle of opposition into practice.

Federation officers toured the universities during Orientation, speaking at campus forums. Education action groups were established on each campus. A training day for campaign organisers was held in Wellington. By the end of March activities were underway on almost all campuses.

The numbers of students turning out at protests early in the year were encouragingly high and by the national day of action on July 17, it was no surprise to learn of marches that were in many cases larger than any other education marches during the 1980's.



Victoria University students show their opposition to increased tuition fees

During the year, NZUSA produced information packages for the banks, media, students (both tertiary and secondary), and for parliamentarians. NZUSA also commissioned economists to analyse the proposed loan scheme and to suggest alternative means for funding the increasing demand for tertiary education.

Market researchers were commissioned to assess the strength of opposition to the loans scheme, and public relations consultants advised NZUSA on its campaign strategy in its early stages. Pamphlets explaining NZUSA's opposition were produced and distributed, with nearly 250,000 targeted at the general public and another 50,000 specifically targeted at senior secondary school students. A weekly newsletter was sent out to campaign action groups, including action groups at polytechnics and secondary schools, while a fortnightly publication, NZUSA Update, was distributed to educational groups, public libraries, MP's, the media, and other interested groups.

NZUSA's information and publicity efforts did not go unnoticed. The then Department of Education was instructed to launch a publicity campaign to counteract the information being circulated by NZUSA. The former Prime Minister, David Lange, wasn't immune either to NZUSA's efforts, giving further publicity to the campaign by attacking the campaign slogan 'Keep Chequebook Education Out' at a post-cabinet press conference.

Between July and September the Government vacillated over whether the scheme was a viable concern or not, eventually announcing its abandonment in early September. While the Government was content with citing the banks' intransigence and students association's recalcitrance for the proposal's failure, a more balanced assessment is called for.

The banks were concerned about the high administration costs, the long term nature of the loans, and the relatively small nature of each loan. By the year 2010, the banks would have been administering \$1.3 billion in student debt, a sum that does not include the loans they already make to students. Banks were also reluctant to trust the Government guarantee for the loans in light of overseas experience which showed that governments frequently refused to compensate banks for similarly guaranteed loans.

There is no doubt the high profile campaign by the Students Associations increased the banks' concern over the scheme. There is equally no doubt the Government was extremely tardy in its negotiations with the commercial sector. When NZUSA met with banking representatives in February and March, apart from responding to a survey from Treasury in January, their knowledge of the Government proposal was restricted to what they had read in the newspapers.

During the third term, a great deal of preparatory work was undertaken to ensure that 1990's proposed partial fees boycott would be successful. The decision to opt for a partial fees boycott, as opposed to a total boycott, reflected a judgement about what was practical. The former is both achievable as a target in itself, as well as successfully ensuring the whole issue of user pays in tertiary education would be debated during the 1990 General Election.

Finally, as the 1980's come to an end, a long range forecast on likely developments over the next decade is appropriate.

The up-front fee is an adhoc response and is unlikely to be retained for long. The loans scheme and the income support scheme however, are complimentary schemes ensuring an overall cohesive policy approach.

Students are provided with additional funds when they are students (when they need it most) and repay the state when they are employed (when they least notice the repayments).

The up-front fee negates many of the benefits of the Youth Support Scheme and involves complicated administration for both schemes, the total effect of which, in many cases, is students being given money with one hand and giving it back with the other. Secondly, the up-front fee limits the Government in its ability to expand the user pays principle. The effects of increasing the fees are clearly visible and the political consequences potentially severe.

Given these factors it can be predicted that, if re-elected, the Labour Government will attempt to re-introduce a deferred payment scheme. Indeed, NZUSA may find itself in two years time debating the 'graduate tax' all over again. If proposals being considered by the British Government are anything to go by, the scheme would be a cross between the loans proposal and the Hawke proposal; the Government raises the initial capital through a private loan and administers the scheme through the Inland Revenue Department. Such a proposal would avoid many of the stumbling blocks that befell the Hawke proposal and the loans scheme.

Whatever the proposal, NZUSA, building upon the work undertaken and achieved in 1989, is in a good position to continue promoting an open entry tertiary education system for the benefit of all New Zealanders.

Summer Employment Assistance

Holiday earnings are an important source of student income, and ensuring that there is sufficient summer employment opportunities is one of NZUSA's major tasks.

In 1988, the Government abolished the Student Employment Subsidy Scheme (SESS), a scheme which provided to those employers who met the approved criteria a \$70 per week subsidy for student job creation.

The removal of the subsidy had an immediate impact on 1988/89 summer vacation employment. Jobs of eight weeks or more duration fell from 5610 the previous year to 3155 - a massive 45% decline, while 1185 jobs of 2-8 weeks were lost. The total result was more student unemployment, as well as underemployment and reduced summer vacation earnings.

There were no financial gains for the Government either. In the summer of 1988/89, over \$9.9 million was paid out to students in emergency unemployment benefits - a rise of over \$5 million on the previous year. In comparison, the subsidy scheme proposed by NZUSA in 1988 would have had a net cost to the Government of between \$0.9 million and \$1.5 million.

Armed with this evidence from last summer, NZUSA again lobbied the Government with a new proposal - the Tertiary Employment Assistance Scheme (TEAS). While initial responses from the Government were cautious, consistent lobbying and detailed research saw NZUSA's proposal win the day.

In early October, Cabinet approved a \$1.8 million employment assistance programme to be administered by Student Job Search over the 1989/90 summer vacation.

In 1990 NZUSA, the Department of Labour and Treasury will assess the scheme. NZUSA is confident that the assistance programme will generate new jobs, will prove to be the lowest cost option for the Government, and will be of considerable benefit to students and the rest of New Zealand.

Youth Support Study: The Effects of Students Allowances

1989 marked the inaugural year of the new Student Allowances income support package for tertiary students.

The new package followed several lengthy reviews, going back to 1985, of existing income support measures. In 1988, the Government announced a three tier scheme of support for students, involving means-testing of parental income and targeted grants for students from very low income families.

The new scheme provided different levels of support for students aged 16-17 years, 18-19 years, and 20 years and older. Students of 16-17 years of age received a minimum of \$11 a week if living at home, or \$22 a week if living away from home, plus up to another \$80 a week if their parents' income was under \$35,000 a year. Students aged 18-19 years received \$43 a week or \$65 a week depending on whether they lived at home or away, and up to another \$43 a week if their parents' income was under \$35,000 a year. Students 20 years and over received \$86 a week if they lived at home and \$108 a week if they lived away from home. Students living away from home also received an accommodation grant which varied from region to region, and all students were subject to a total abatement threshold of \$4000 earned during the academic year. Allowances are indexed to changes in the adult employment benefit.

The new allowances compare with the old allowances of \$41 a week for those at home, and \$78.50 a week for those away from home, both, however, payable regardless of age.

NZUSA decided to monitor the first year of implementation of the student allowances package, and commissioned Smith Caldwell Associates to carry out the project. Around 1200 students from all universities were surveyed three times during the year to examine changes in income, parental support, health and academic performance.

The survey showed that, as predicted, overall most younger students came under heavier financial pressure.

Around 50% of all full-time students did part-time work for at least five hours a week, and most of those working were under 20 years. The survey showed that most students under 20 relied on part-time work and gifts from families to make up the difference between expenses and income. Most students over 20 relied on bank loans and overdrafts to make up the difference.

Sources of student income in order of priority were student allowances, students' own savings, bank loans, part-time work and family assistance.

The average weekly allowance over all students was \$93 a week, and the national average weekly rent was \$70 a week.

As the Association expected, the students worst affected were younger students, and it is now expected that attention will turn to improving this situation.

Overseas Students

The New Zealand Labour Government has had a confused approach to the admission of overseas students to New Zealand's educational institutions.

In 1980 the National Government introduced an overseas student fee of \$1500, and indicated in 1982 their intention to charge full cost recovery fees from the beginning of 1985.

In 1984, however, the Labour Party promised to abolish the \$1500 fee and in the year after the Labour Government was elected the fee was reduced to \$1000. In 1987 the Labour Government abolished the fee altogether only to announce at the end of 1988 that full cost recovery fees for overseas students would be implemented from the beginning of 1990.

After the full fees policy was announced on Boxing Day 1988, it was another nine months before educational institutes received clear details on how the policy was to be implemented. It was a further three months before legislation was actually passed allowing educational institutes to charge cost-recovery fees.

While 1989 has been a frustrating year for those many polytechnics and universities wanting clarification on exactly what they could offer to overseas students in 1990, it has also been a stressful year for many overseas students currently studying in New Zealand and wanting to know how the cost-recovery policy would affect them.

It wasn't until September that the Government could inform students who entered New Zealand prior to 1989, that they would receive assistance up to the minimum time needed to complete their degrees from the end of 1989, plus a maximum of two years. Private students who started their courses in 1989 and who were from developing countries would be similarly "grandparented".

The Government's defence for not grandparenting students from developed countries who had commenced study in New Zealand in 1989 was two-fold. Firstly, the New Zealand Government did not intend providing aid for developed countries. And secondly, it was claimed these students had been given sufficient warning prior to studying of a likely policy change. NZUSA considered the Government's case inadequate.

Grandparenting students from developed countries was not a case of establishing the principle of aid to developed countries, but a case of ensuring natural justice to individual students during the transition period of a change of Government policy. Secondly, many of the students who commenced studying in 1989 were not made aware of the costs they could incur in 1990 until mid-January 1988, by which time some had arrived in New Zealand and many others were committed to coming. Furthermore, the New Zealand Government required Malaysian students at least, on applying to study in New Zealand, to sign a declaration stating that they wouldn't apply for places in other countries. That declaration was signed well in advance of the Government advising students of the changes in policy.

In late September the Government relented slightly and agreed to pay two-thirds of Malaysian and Singaporean students fees for the minimum period needed to finish their qualifications.

While the decision was welcomed by NZUSA, there was no obvious rationale for not providing similar transition arrangements for all 1989 students. As it is, in 1990 there will be some 1989 students incurring full fees - something they were not advised of when committing themselves to study in New Zealand.

NZUSA and Nga Toki O Aotearoa

The level of funding for Nga Toki o Aotearoa, the Maori student organisation, was a major issue of debate for NZUSA in 1989.

On Nga Toki's establishment in 1986, it was intended that NZUSA's financial contribution to Nga Toki would decline over three years as Nga Toki secured other avenues of funding. In 1987, a lack of alternative funding resulted in NZUSA moving from a declining grant formula to a two year fixed annual grant of \$30,000.

In negotiating the funding for 1990, NZUSA Federation Executive established the following principles.

Firstly, NZUSA could not fund Nga Toki to the level required for it to function effectively (approximately \$80,000). The NZUSA levy was to ensure the effective operation of NZUSA. To raise money under the guise of the NZUSA levy to ensure the effective operation of another organisation would be dishonest.

Secondly, it was the joint responsibility of Nga Toki and NZUSA to secure alternative avenues of funding for Nga Toki. Failure to do so would undermine Nga Toki's future and would call into question the purpose of NZUSA funding a grant to an organisation that had insufficient funds to function.

Thirdly, in the long term, Nga Toki should negotiate with the constituent associations outside the forum of NZUSA. NZUSA is the sum of its constituent association members and no more; it is not autonomous nor can it bind its constituents. As such, it is limited in its ability to negotiate with external organisations.

NZUSA has agreed to grant Nga Toki the sum of \$35,000 for 1990. There was, however, diversity of views among its member associations over the level of funding. The sum of \$35,000 was simply the consensus among NZUSA's members. The sum did not meet Nga Toki's expectations.

Towards the end of the year, the Federation Executive resolved to implement a time-limited strategy for 1990 to ensure principles two and three do eventuate. It is hoped that a meeting between NZUSA and Nga Toki can occur early in the new year in order to develop a plan of action which will ensure Nga Toki's long term financial security.

Conferences 1989

NZUSA holds two Conferences each year in May and August. Conferences have two major goals; firstly, they are a forum for debate where the members, the seven students associations, review and set policy goals for NZUSA. Secondly, conferences should be project orientated - a forum for developing a plan of action which ensures policy objectives can be achieved.

May Conference this year was held at Canterbury University and was one of the most successful conferences in recent years. The Conference attracted a wide range of speakers including politicians Phil Goff and Jim Anderton, economists Brian Easton and Prue Hyman, and educationalists Professor Bert Brownlie and Tom Rangī.

Workshops at May Conference dealt with current issues of the day; university charters, qualification validation, university companies, full cost fees for overseas students, and the campaign against higher tuition fees.

The coverage from the media was quite comprehensive, with NZUSA president Andrew Little and Associate Minister of Education Phil Goff debating the issue of higher fees and loans on Television New Zealand's Frontline programme.

August Conference, held at Victoria University, was a shorter affair of only two days duration. The first day was devoted once again to workshops on current reform proposals, reviewing issues such as academic freedom, **Learning for Life Part II**, as well as workshops on the campaign against tuition fees. Television New Zealand covered this last workshop on its network news that night.

The second day focused on administrative matters; the setting of the 1990 NZUSA Budget and levy, the election of Suze Wilson and Charlotte Denny as NZUSA's 1990 Officers, and the funding of the Maori student organisation Nga Toki o Aotearoa.

Prior to both Conferences, federation office prepared a Conference Supplement which was published by the student newspapers. The supplement outlined what NZUSA was, why conferences were held and then briefly outlined the workshops and the speakers who would be present.

August Conference also saw the introduction of a formal conference evaluation for delegates. The aim of the evaluation exercise is to identify strengths and weaknesses of each conference so that improvements can be made and so that more effective conferences will result.

NZUSA Higher Education Scholarship



In 1989, the Federation Executive decided to establish a post-graduate scholarship for work on higher education policy in New Zealand.

The establishment of the scholarship followed observations that little research in the area of higher education policy had been carried out in New Zealand and that, after the many reforms that had been recently promulgated, such research was vital.

The scholarship provides \$3000 a year to a post-graduate student of any discipline doing research into higher education. The Federation Executive sought the assistance of educationalist Jack Shallcross in selecting scholars.

The first recipient of the scholarship is Patricia Bolger who is studying assessment methods of post-graduate students in New Zealand and Britain.

Southern Africa Scholarship Trust

The Southern Africa Scholarship Trust was created in 1975 to provide a tertiary education scholarship for black South Africans in exile who are deprived of such opportunities in their own country.

The Trust Board is chaired by one of the federation officers. The administration of the Trust is largely carried out by the federation office, and NZUSA and its constituents donate nearly \$12,000 a year to the Trust.

In 1989, the Trust's fifth scholar, Ms Nonhlanhla Mtshali, commenced study in engineering at Canterbury University.



The Trust enjoyed another good year of fundraising, earning nearly \$5500 from a donation drive at the end of the year. The Trust published two newsletters to donors to keep them in touch with the activities of the Board and the progress of the scholar.

Towards the end of the year, the Government advised the Board that the full-cost tuition fees payable by the scholar, which would otherwise have to be met by the Board, would be paid by the Government. The Board was most appreciative of this action, and of the assistance provided by the Trust's patron, the Hon. Fran Wilde.



The Government wants to charge high fees for education!

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STOP THE FEES