

**NEW ZEALAND
UNIVERSITY STUDENTS'
ASSOCIATION (INC.)**

ANNUAL REPORT

1991





NZUSA 1991 Federation Executive

From top of stairs (left to right)

*Doug Sadlier (AUSA), Martin Carroll (MUSA)
Andrew Little (Treasurer), Jeremy Baker (VUWSA)
Dan Ormond (LUSA), Baz Star (UCSA)
Helen Jamieson (OUSA)
Diana Brett (WSU from 21/8/91), and
Emma Reid (Vice President until 29/9/91 then President)*

*Absent: Simon Scott (WSU until 21/8/91)
Charlotte Denny (President until 29/9/91)*

Accountants: Curtis Maclean

Lawyers: Russell McVeagh McKenzie Bartleet & Co.

Auditors: Spicer Oppenheim

Bank: Bank of New Zealand

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President's Foreword



Charlotte Denny
NZUSA President 1992

1991 was a significant year for NZUSA. Five years on, the new direction and structure the Association established at August Council 1986 has proved enduring. A change of Government has not altered our commitment to achieving the objectives set at that Conference. Our major goal remains to secure an affordable and accessible tertiary education in this country.

In 1986 NZUSA was a troubled organisation. Internal dissension, lack of a clear focus, a top heavy national office, and poor accountability to students on campus nearly caused the Association to self destruct. Instead, the conflict led to a reappraisal of what the objectives of a national student organisation should be. The result was a complete restructuring of the Association in which a clear focus on education and welfare issues relevant to students was laid down. The federal structure of the organisation was re-emphasised to ensure accountability to campus associations. A leaner bureaucracy was achieved, with just two full-time elected officers at a national level replacing eleven.

At the time the organisation seemed unlikely to survive the upheavals. One president, surveying scenes of conflict at yet another conference, was moved to comment that the Government at least would be pleased at the state of NZUSA. From the conflict, however, a clear and credible voice for student concerns has emerged. NZUSA can justly claim in 1991 that it has won the respect of the media, Ministry of Education officials, constituents, students, and at times even the Government.

Relationships with the Labour and National Governments over this period have not been smooth. Unlike student movements in other countries, NZUSA has remained independent of the major political parties. It has opposed education policies which it considers detrimental to our tertiary education system whether proposed by National or Labour. Successive Labour and National Governments have chosen to regard tertiary education not as an investment in our collective future but as an unnecessary burden upon the tax-payer. The last five years have witnessed a decline in Government funding per student place, over crowding in facilities, and increased financial burdens placed on students. Students have been hit first by Labour's fees, then by National's fees and loans for living costs.

NZUSA has mounted a sustained campaign against the user pays policy since 1986. The refocussing of the Association on education and welfare goals put the campaign

at the top of NZUSA's priorities. The commitment to goals central to students' interests was rewarded by widespread student participation in demonstrations and marches every year. Re-emerging student activism attracted media attention and widespread publicity.

While to date we students have not yet won our battle, we have kept the user pays policy debate alive and controversial since 1986. In the 1987 and 1990 elections, student fees and the level of student support have been campaign issues. The National party certainly recognised this in the 1990 campaign, embarking on a hard-sell for its Study Right policy on campuses all over the country.

In 1991 Study Right failed to live up to its pre-publicity and the new Minister failed to fulfil his pre-election pledge to students to scrap fees. Nevertheless, NZUSA has continued its campaign. The principle that tertiary education is the right of all New Zealanders with ability to benefit from it, not a commodity available only to those who can afford it, is too important for us to compromise.

1992 will be a grim year for students. Numbers continue to rise as unemployment gives young people fewer options. But the increased financial burden is causing many to reconsider their study plans, drop to part-time or take on an added load of part-time work with full-time study. Summer jobs are scarce and Government loans offer a load of debt in an uncertain future.

However I am certain that NZUSA will remain the best advocate for university students now and in the future. In many parts of the world Governments are rethinking the economic dogmas of the Eighties. New Zealand alone seems set on riding the monetarist train to the end of the rails. I hope it is not too late before we follow the rest of the world in recognising the value of public investment in basic services such as health and education.

I would like to thank my predecessors, Suze Wilson, Andrew Little, Bidge Smith, and Donovan Wearing, and wish my successors Emma and Dan all the best.

Charlotte Denny
NZUSA President 1992

1991 Goals

The Federation's 1991 goals were:

Goal 1.

To ensure that the Standard Tuition Fee is removed for the 1992 academic year and that no other significant tuition fees are introduced either by universities or the Government.

Goal 2.

To ensure that universities remain primarily state funded and open to all students with appropriate qualifications; and that the level of funding is adequate to cover research and teaching requirements.

Goal 3.

To monitor any changes to the system of student income support; and to lobby for a universal system not subject to parental means testing, sufficient for average living costs amongst students, with higher rates for students with dependents.

Goal 4.

To retain a Government funded, student-administered Student Job Search service incorporating the Tertiary Employment Assistance Scheme.

Goal 5.

To monitor developments in the 'Export Education' policy and its effect on overseas student enrolments; and to protect the interests of aid students and New Zealand students.

Goal 6.

To monitor policy developments in the area of Tertiary management and administration and to provide an informed contribution to the debate from a student point of view.

Goal 7.

To ensure students receive a high standard of education with adequate academic and non-academic support such as library, counselling, health and recreation services.

Review of 1991 Goals

Goal 1 To ensure that the Standard Tuition Fee is removed for the 1992 academic year and that no other significant tuition fees are introduced either by universities or the Government.

This goal was not achieved, although progress was made in keeping the issue alive throughout the year politically and in the media. A partial victory was also achieved in the area of cost-equalisation. The Budget announcements not only entrenched tuition fees for all tertiary students but also advocated a system of differential fees based on course cost and Study Right eligibility.

Although the Minister of Education repeatedly tried to convince people that he had in fact removed the Standard Tuition Fee, few people were convinced. Instead most people clearly saw the situation for what it was, the abolition of one fees regime but the introduction of another.

The Association found itself in a difficult situation whereby constituents, who had been campaigning for the Minister to keep his promise and abolish the Standard Tuition Fee, were subsequently faced with urging University Councils to adopt a single fee.

Clearly this was the only equitable solution, but if this goal is to be achieved long term it will be important to return to and re-emphasise in practice and in principle the arguments against 'user pays'. There may be scope for dismantling Study Right in part when the Government reviews discrimination on the basis of age.

With regard to 'top up' fees, Universities remained mindful of requests not to levy students for historic underfunding but there was a big discrepancy in the range of 'administration' fees charged. The problem of 'top up' fees will require constant monitoring.

Goal 2 To ensure that universities remain primarily state funded and open to all students with appropriate qualifications; and that the level of funding is adequate to cover research and teaching requirements.

This goal has become inseparable from Goal 1 because of the Government's decision to link levels of funding to eligibility for Study Right. This is clearly a policy decision to reduce its commitment to state funding and pass the shortfall onto students.

Although the Minister has attempted to gain some political mileage out of the recent announcement of \$75 million in additional funding, this is money that was already

announced and allocated in the Budget. The level of Government funding still leaves 3% of students unfunded. There are indications from the Minister that future funding for additional students is by no means guaranteed.

While the Government continues to stress the need for more people in tertiary education it is clearly not prepared to make the financial commitment to meet the growing demand. In addition, the changes to tuition fees and student allowances have further limited access on the basis of financial ability to those who are either in the upper income bracket or feel sufficiently comfortable to take on large levels of debt.

Ironically, in some of the most expensive courses limitation of entry may cease to be a problem.

Goal 3 To monitor any changes to the system of student income support; and to lobby for a universal system not subject to parental means testing, sufficient for average living costs amongst students, with higher rates for students with dependents.

Achieving this goal has been very difficult, particularly since the Government's decisions to abolish the universal component of student allowances and introduce a much harsher means test based on parental income.

Although members of the Opposition have indicated that they will consider reinstating student allowances there is no such commitment from members of the Government. In fact several appear to see the "loans scheme" as the ideal solution.

Goal 4 To retain a Government funded, student-administered Student Job Search service incorporating the Tertiary Employment Assistance Scheme.

This goal was achieved. Government funding of \$1.5 million + GST was secured for SJS. This was less than we asked for but a slight increase on last year. Funding for T.E.A.S was frozen at \$1.8 million including administration.

Goal 5 To monitor developments in the 'Export Education' policy and its effect on overseas student enrolments; and to protect the interests of aid students and New Zealand students.

Federation Office has continued monitoring developments in this area and presented a submission to the Foreign Affairs and Defence Select Committee late last year.

Goal 6 To monitor policy developments in the area of Tertiary management and administration and to provide an informed contribution to the debate from a student point of view.

Federation Office has continued to monitor policy developments in the tertiary area with regard to administration and management. Input into this area has been consistently difficult due to lack of consultation, although some progress was made in negotiating some specific administrative details of the student loan scheme.

We have also had input into the establishment of the National Qualifications Framework and prepared a submission on Designing the Framework.

Goal 7 To ensure students receive a high standard of education with adequate academic and non-academic support such as library, counselling, health and recreation services.

Evaluation of this goal is primarily for individual campuses to determine.

At a national level we have continued to liaise with the Vice Chancellors Committee and the Association of University Staff, and have tried to ensure that they were always aware of student concerns. In our visits to MP's we have highlighted issues such as overcrowding, limitation of entry and the abolition of the Hardship Fund.

The 1991 Budget



Dr Lockwood Smith

The 1991 budget saw spending on student allowances cut 37.2% (from \$331m to \$208m) by the decision to means test students up to the age of 25 on combined parental income. A system of student loans covering tuition fees, course costs and living expenses was foreshadowed - and later introduced - in an attempt to compensate for the allowance cuts.

Education Minister Lockwood Smith claimed the money saved by allowance cuts would create nearly 10,000 extra university places. NZUSA said loans were unacceptable as a means of student income support, because they would act as a deterrent for

large numbers of potential students who were debt averse - whether for ethical, religious, cultural or financial reasons.

The budget also saw the introduction of the Study Right funding policy, which underfunded universities for each student to a differing extent depending on the student's age at first enrolment, subject area, and level of study. Those entitled to the lesser (Study Right) level of underfunding received it not for three academic years but for three Effective Full Time Student years worth of study. Because an EFTS year is the minimum full time load, many students found they had used up more than two-thirds of their entitlement after two years study for a three year degree. Those aged 22 or over at first enrolment missed out on Study Right, and this was seen as discrimination against mature students, who are disproportionately women and Maaori. It was also seen as a disincentive to retraining, which is vital to both re-employment and the increased skills base needed for sustainable economic growth.

The main budget initiatives are outlined below.

Allowances

The combined parental income means test was extended to students aged 20 to 24. For students aged 16 to 24 the allowance is now reduced by \$1 for every \$208 of annual parental income over \$27,872. Students under 25 lose all allowances at a parental income of \$46,175 p.a. if living at home, and \$50,544 p.a. if living away from home. Single 16 to 24 year old students who married are eligible for the married rate regardless of parental income. Extremely high standards of proof are required of students seeking to have only one parent's income means tested. Maximum allowance rates were adjusted down to bring them into line with other benefits.

Loans

A loans scheme was foreshadowed and later introduced. For full time full year students it covered the compulsory tuition fee, up to \$1000 course-related costs, and up to \$4500 (less any student allowance) for living expenses. Interest was six percent real plus inflation, meaning a rate of 8.2% for 1992. Repayment through the Inland Revenue Department was to start when taxable income exceeded \$12,670 per year, and was to be at a rate of 10c in the dollar.

Fees

Labour's centrally-set Standard Tuition Fee was abolished and the power to set fees devolved to university councils. The Study Right funding policy funded universities at 95% of cost category for "Study Right students" and 75% for "non-Study Right students". A "Study Right student" was someone first enrolling before the age of 22, and certain classes of beneficiaries were also eligible. Transitional measures meant that "non-Study Right students" were to be funded to 85% in 1992 and 80% in 1993, before dropping to the base level of 75% in 1994. The division of funding by cost category meant larger dollar funding deficits per student in some subject areas than in others, and this was a deliberate attempt by the Government to encourage university councils to set various fee levels reflecting course costs and Study Right/non-Study Right differentials. Despite this, three councils set a single flat fee and all flattened the Government's funding differentials to some extent.

Postgraduate Study

A fund was established to offer scholarships to research-based postgraduate students on a competitive basis. The scholarships offered 95% Study Right-type funding and were not available for postgraduate study involving papers, which attracted the 75% non-Study Right funding.

Campaign Review

THE ISSUES

Tuition Fees

The previous Labour Government's centrally-set \$1300 standard tuition fee was scrapped by National, and the power to set fees devolved to individual university councils. The Study Right funding policy underfunded students' tuition costs to different levels depending on their age, subject area, and level of study- forcing universities to set their own fees. Lockwood Smith was called on to honour his promise to resign if fees were not abolished.

The focus of fees lobbying shifted to individual campuses and university councils following the transfer of fee-setting power to the local level. In conjunction with constituents, NZUSA pushed for cost equalisation - the averaging of the differential fees implied by the Study Right policy across subject areas, study levels, and ages.

All councils flattened the Study Right differentials to some extent, with three opting for a single average fee. It was argued that if universities adopted the Study Right differentials they would be:

1. deterring students over the age of 22 (who are disproportionately women and Maaori) by charging them higher fees than those under 22, and discouraging vital retraining;
2. encouraging students to choose individual courses on the basis of subject area cost instead of how they suited their interests and ability;
3. discouraging postgraduate work of great social and economic benefit to New Zealand.

NZUSA's legal action against Labour's \$1250 fee, which breached an international convention on educational rights, was suspended when central fee-setting power was abandoned in favour of university councils not subject to the convention.

Student Allowances

The Budget cuts to student allowances and the means test encouraged or forced students to be more dependent on their parents, and for longer; the alternative was massive debt or dropping out. This appeared to be part of both the Government's deficit reduction exercise and its ideological commitment to a minimalist state and the nuclear family. NZUSA opposed the loans scheme as a form of income support. It was argued that a move away from universal allowances towards repayable loans would deter potential students, many of whom would be unwilling or unable to take on debt whether for cultural, religious, ethical or financial reasons. Already disadvantaged groups would be most deterred by debt, and various other equity and practical problems were exposed.

Course Restrictions/Underfunding

The Government's continued failure to compensate universities for past underfunding resulted in a new round of course restrictions. Some universities limited every course or even limited entry to the university as a whole. NZUSA lobbied for increased funding, and promoted a progressive taxation system as the best means of adequately funding tertiary education and the fairest way of recognising the private benefit of education.

THE ACTION

National Days of Action

Three national days of action were held, one per term. The first received the greatest level of energy and support from campuses, with the creative and humorous elements resulting in widespread support from staff and students alike. In contrast, the day of action in term two was less successful, with a substantial drop in numbers (down almost 10,000 on 1990). The day of action in the third term was essentially information based. Feedback indicates that despite the timing, the rallies and forums were reasonably well attended and helpful in answering questions.

Publicity

One of the most powerful tactics in advancing the campaign in 1991 was the continued flow of publicity and information to the media about the effects that Government announcements would have on students. Both print and radio were particularly active, and often sought additional unsolicited comment for features they were working on in the tertiary area. Campuses continued to give the campaign a high profile, with a variety of highly visual stunts highlighting the pitfalls of Government policy. Stunts that were particularly successful were the red carpet protest, the mass blood donation by medical students, and the mock wedding ceremony to highlight allowance anomalies - all gaining good television coverage. In addition there were numerous small television items ranging from John Banks complaining about school students on Victoria's march to reaction to the loans scheme and Budget night announcements.

General

NZUSA continued its regular campaign activities, including support for campus-based days of action and marches; the production of information resources for students about fees and allowances; lobbying of MPs and key Ministry officials; and the commissioning of research such as the student debt survey.

Research and Publications

During 1991 NZUSA commissioned a number of research projects and publications.

Qualitative Research on Student Debt

This research was preliminary to later student debt surveys that were quantitative and longitudinal in nature. It aimed to identify debt related issues affecting university students about which questions should be asked in the later surveys. Two focus groups of about 10 students were interviewed, one at Victoria and one at Otago. Main findings were that: the primary reason for attending university was to study a topic of interest, or for personal benefit and education; most students were in debt; delays in first allowance payments were a problem; and there should be more information about expenses and budgeting for first years. Students also found that part time work took a toll on their study.

Quantitative Research on Student Debt

Two telephone debt surveys of 600 randomly chosen students were carried out, in July and November, by the Business Improvement Group of Christchurch. The surveys were longitudinal, involving essentially the same sample of 600 students, so the November survey could reliably trace changing debt patterns among the sample. It found that two-thirds of students were in debt, compared to half in the July survey. The average debt was \$2005 (\$1674), and some students owed more than \$20,000. Half of students expected no financial help from the Government during 1992. Seven of every 10 students had an overdraft facility, and the average actual overdraft was \$817 (\$672).

Thirty-one percent of students felt their financial position had adversely affected their study, and of those more than a quarter reported stress and worry. Fifteen percent couldn't afford textbooks or fieldtrips, 15% said work took time away from study, and 11% planned a switch from full time to part time study. Four percent believed they would have to quit university because of financial pressure. Twenty percent of those leaving university, and 45% of those unsure about continuing, cited financial pressure as the reason.

Survey of Secondary School Students' Intentions

In October the Heylen Research Centre surveyed 1290 year five secondary school students to find out what proportion intended to go to university, which university, which course, and why. Sixty percent of students said they were likely or very likely to attend university in 1992, and the main factors influencing university choice were

closeness to home and courses offered - in that order. The most common first course choices were commerce (25%), arts (23%) and science (17%). Parents were the biggest influence on the decision to go to university; others were unemployment, the need for a higher qualification, and friends.

Balancing the Books

An updated and extended version of *Balancing the Books*, the guide to student finances, was produced by NZUSA and paid for by the Ministry of Education. It is a practical plain-english guide, and 140,000 copies of the 16 page A5 booklet were distributed to schools, tertiary institutions, Quest Rapuara offices, Department of Social Welfare offices, public libraries and other community centres.

Other Publications

In 1991 NZUSA published six issues of *NZUSA Update*, its newsletter to students. Student newspaper supplements were published prior to May and August conferences to outline topics for discussion at the conferences.

Meetings and Conferences 1991



Brigid Freeman

NZUSA holds three major meetings each year, February Workshops and May and August Conferences. The aim of February Workshops is to provide student delegates with skills training and background information on key education issues. May and August Conferences are the main decision making forums for NZUSA. They provide the members of NZUSA, the seven constituent associations, with the chance to set and review both goals and policy and formulate plans of action.

In 1991 May Conference was held at Lincoln University. Issues discussed at the conference included corporatisation of universities, export education, limitation of entry, the Australian Higher Education Contribution Scheme (HECS), summer employment, and the campaign against Study Right. Guest speakers included the President of the Australian National Union of Students, Brigid Freeman, Wellington economist Brian Easton, Minister of Education Dr Lockwood Smith, and lecturer in public policy Dr Jonathan Boston.

August Conference was held at Auckland University. There were workshops on the implications of the Budget including Study Right and student allowances, cost equalisation, mature students, and plans for the campaign in term three. Guest speakers included independent MP Hamish McIntyre and the 1991 Higher Education Scholar, Trish Bolger.

August Conference also dealt with administrative matters; the setting of the Federation's 1992 Budget and levy, and the election of Emma Reid as President for the remainder of 1991 and of Dan Ormond and Carl Dawson as NZUSA's 1992 officers.

In between these three main meetings, the NZUSA Federation Executive met eight times to oversee the running and direction of the Association.

The Federation Executive consists of the seven campus Presidents and the NZUSA President, Vice President and Treasurer.

Student Job Search Review

The 1991/92 summer job search period was marked by a big increase in student unemployment as the job market declined generally. At the same time as students were finding it harder to get work to help them pay for their education, the costs of that education were increasing. Allowances had been cut drastically in the 1991 budget by the imposition of a means test based on combined parental income, and tuition fees jumped sharply for many. Student vacation employment took on an unprecedented importance.

The Key Summer Statistics

Job offers increased by 2% and placements by 3%, but were outstripped by the increase in enrolments of 8%. The number of individual student clients rose 17%. January student unemployment jumped 27% from 1991 to 1992, and December unemployment by 14% to December 1991. The average number of worker weeks per placement dropped from 3.92 to 3.09, but the average payrate rose. Males were disproportionately likely to get a job, as were university students. The cost of processing job seekers dropped.

The Key In-term Statistics

In the period March through August 1991, placements ran at 72% of enrolments. The most difficult month was March (35%), while the most successful was May (127%).

Emergency Unemployment Benefit

Tertiary students have become increasingly reliant on the EUB for summer income as the job market has deteriorated. In the 1991/92 summer season, 23,796 students received the EUB, up 23% on the year before. The average number of weeks spent on the EUB dropped from 8.48 in 1990/91 to 8.27 in 1991/92, although this went against the trend since 1987.

Higher Education Scholarship



Tracey Bradley

NZUSA's second Higher Education Scholar, Tracey Bradley, took up her scholarship in 1991. The scholarship provides \$3000 a year (\$4000 from 1992) to a post-graduate student of any discipline doing research in higher education.

Ms Bradley, a Victoria student, was researching and writing a thesis on women's training policy in New Zealand from 1975 to 1991, for a Master of Arts in Education.

Ms Bradley's research used case studies of women's training programmes to examine New Zealand training policy and its effects on women, particularly in light of the State's withdrawal from its social justice responsibilities and of bureaucratic reform unhelpful to gender equity policies.

The research found that the state as a whole has never had an overall commitment to gender equity beyond tokenism, and that the women's training that did happen was vulnerable to free market ideology and associated bureaucratic reform. Another conclusion was that the limited state funding and resources provided for women was obtained only with great difficulty, and that each initiative was marginalised in its own way. The research proposes a model framework for positive action programmes and assesses future prospects.

The Association is pleased to have been able to support Tracey's work, which has added greatly to knowledge of the dynamics of women's training programmes, the forces that work in favour of them, and - more importantly - those that work against them.

Southern Africa Scholarship Trust

The Southern Africa Scholarship Trust was established by NZUSA to provide a tertiary education scholarship in New Zealand for exiled black South Africans who are deprived of educational opportunities in their own country.

The Trust Board is chaired by the NZUSA Vice President, and Board members are appointed by the NZUSA Federation Executive. The Trust is administered by the Federation Office with the assistance of the Trust secretary. Each year NZUSA and its constituents donate nearly \$12,000 to the Trust.

In 1991, the Trust's fifth scholar, Ms Nonhlanhla Mtshali, had a successful third year at Canterbury University studying engineering. Nonhlanhla also returned home over the Christmas break to Johannesburg.

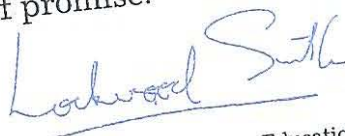
The Trust met four times in 1991 and continued to monitor the political changes in South Africa with interest. In New Zealand the change in regulations for the Emergency Unemployment Benefit means that from 1992 Nonhlanhla and other overseas students will no longer be eligible for the benefit if they are unable to gain summer employment.

WILL HE KEEP HIS PROMISE?

I, Dr Lockwood Smith, MP, hereby pledge to tender my resignation as Minister of Education if the National Party, having become the government in 1990, has not implemented the majority of the National Party Education Policy as stated in 1990, by the beginning of the 1992 academic year.

In particular, I pledge to tender my resignation if the \$1250 tertiary tuition fee has not been abolished by this time.

If not Minister of Education at the beginning of the 1992 academic year, and if the National Government (elected in 1990) has not abolished the \$1250 tuition fee, I pledge to publicly condemn such a breach of promise.



Lockwood Smith, Opposition Spokesperson on Education
Witnessed by Michael James, President LUSA 1990
18 July 1990

EDUCATION IN CRISIS

NEW ZEALAND UNIVERSITY STUDENTS ASSOCIATION