



The New Zealand Union of Students' Associations



Budget 2023

The Student Scorecard

Support for Today Assessed
by the Leaders of Tomorrow

22 May 2023

Above Average!



The Good, the Bad, and the Ugly

We are tired of excuses.

This Budget was sold to us as being focused on the cost-of-living crisis, providing support for public services and for cyclone recovery, while also being “affordable”. The result has been a “step in the right direction”, with some supports to the tertiary sector and education as a whole, in addition to key areas such as climate, public transportation, healthcare, housing, and other important topics.

The issue is that yet again, the Government has thought that they can address students indirectly. The strategy that the Government has been using to incrementally increase student allowance to

offset the cost-of-living crisis for students is clearly not working. Incrementalism in supporting student incomes continues to get absorbed by hidden education costs, rent, energy, transportation, and other basic amenities.

With student debt ballooning at \$16 billion (NZD), with the threat of course closures, staff layoffs, and asset sales, and with rumours of tuition increases, we remain concerned.

This Budget was called **Taituarā mai kia whakaorake: Support for today, Building for tomorrow**. As the student leaders of today and the future leaders of tomorrow, the New Zealand Union of Students’ Associations, Te Mana Ākonga, and the National Disabled Students’ Associations, welcome the Budget 2023.

Only this time **we’ve decided to grade the Budget for students, by students.**



We need to do more than just respond to the challenges of today, we also need to build for the future.

PRIME MINISTER CHRIS HIPKINS



Funding for Tairā Māori & Pasifika



Above Average!

Contribution from Rosa Hibbert-Schooner, Tumuaki at Te Mana Ākonga

We are excited to see that funding has been targeted for Māori education, with \$39.89 million to improve educational outcomes for ākonga Māori and their whānau. We recognise that the Budget signals that:

This initiative provides funding to programmes that improve educational outcomes for ākonga Māori and their whānau. The Ministry of Education will work with partners to improve outcomes around attendance, ending streaming, and nurturing language, culture and identity through kapa haka. Māori Education Peak Bodies will be supported to lead and partner with the Ministry on programmes with aligned aspirations for tamariki and rangatahi. There is also increased funding for science, technology, engineering, and mathematics programmes for ākonga Māori. (1)

Yet, there seems to be a trend across the Budget for short-term fixes, instead of directly to Māori and Pasifika communities for long-term solutions. Principal of Te Kura Kaupapa Māori o Ngā Mokopuna and Co-Chairperson of Te Runanga Nui o Ngā Kura Kaupapa Māori, Rawiri Wright, has commented:

The Budget would be helpful for some of what we've been asking for, but that would only be a short term fix. (2)

Considering that the theme of this Budget is building for tomorrow, this suggests that the Government has failed to listen and uphold this for Māori and Pasifika communities. Consider that the Budget comes after the recent urgent claims at the Waitangi Tribunal, with Wright stating:

What we are looking for... is long term autonomy, mana motuhake to manage our

part of the education system. (3)

There is an inconsistent support for language and cultural identities in the Budget. Whakarauora Reo has been invested in less than that invested in the Pacific language strategy. Māori language revitalisation needs to be fully invested in to be able to address the role the Crown has played in the loss of language across the historical context. We do celebrate the increased funding for Pacific language learning resources, but do not think that the funding provided is sufficient to deliver adequate support for such resources across the motu.

We are excited to see the increase of support for Te Matatini, Matariki and New Zealand Māori arts and crafts institute, however, this is not proportional in the growth across the sector and still very current inequities of this support that already is provided across the Arts field.

We are supportive of the increased support for Māori medium kura and Māori learners across schools, but are perplexed to see that funding for Māori education appears to finish there. The same disproportionate outcomes happen across the tertiary sector and investment in this needs to be specific and clear to support Māori learners across tertiary education. Wānanga funding has decreased - which we highlight may be due to the structural changes - is a potentially detrimental factor to improving the access of Māori to Māori value based education

Overall there is a lack of specific support for Māori and Pasifika learners in tertiary and by support we are specifically regarding; scholarships, well-being, learning support, financial support, housing, access and equity to education.



Fair!



Funding for the Tertiary Sector

While the funding increase to the tertiary sector is welcomed by the students' associations of Aotearoa New Zealand, we remain cautious to predict whether this funding will improve the tertiary experiences of students for several reasons. The 5% increase in Student Achievement Component funds is considered better than the provisions of Budget 2021 and 2022, which were increases of 1.2% and 2.75% respectively during a period where inflation was at 6.9%. (4) Our close allies, the Tertiary Education Union (TEU), consider this increase to be the result of

[the Government's] genuine recognition of the significant underfunding that the tertiary education sector has been grappling with for decades (5)

and in response to the successive strikes held by the TEU across campuses following staff layoffs post-pandemic, to manage institutional deficits.

While the increase is an improvement, it will not stabilise the sector for students or staff, given the report of staff layoffs, course cuts and asset sales at Te Pūkenga, the University of Otago and Victoria University of Wellington, with inflation at 7.3% last June. Chief Executive of Universities New Zealand, Chris Whelan, states that the situation for universities "remains precarious". He states

average student funding will have risen by 16% over the same period – a drop in real terms of 18%.... Looking just at this year and the next two years, actual and forecast inflation for 2022, 2023, and 2024 will be around 15.5%. With today's announcement tuition funding will only be increasing by 9% over the same period. We are continuing to slip backwards in our funding per



Contribution from Ellen Dixon,
President of the New Zealand Union
of Students' Associations

student. (6)

The concern for students is that this potentially results in two issues. Firstly, it is likely it will result in an increase in tuition costs to make up for "short-falls" caused by inflation, as was hinted at by the Chief Executive of the Tertiary Education Commission, Tim Fowler, at the TEU Conference on Budget Day. Secondly, boosts to funds for students do not combat class and ethnic-based precarity for inclusion, and may further student exploitation.

We welcome the continuation of the Targeted Training and Apprenticeship Fund (TTAF) and Fees Free as a way to alleviate the cost of student loans and other forms of debt, in a user-pays tertiary education system. From this, Minister of Education, Jan Tinetti, has argued that the Government has made studying and training more "available to everyone". (7) Yet it was discovered in early 2022 that the Fees Free Scheme favoured high decile schools - despite being desperately called for by understaffed sectors, evidenced by the New Zealand Nurses' Union - to attempt to manage terrible understaffing post-pandemic. (8) Clearly the outworking of Fees Free and the TTAF need to be reconsidered by the Government, to ensure that they are reaching low decile schools and those potentially requiring pathway programmes into tertiary education.

One core concern revolves around the Apprenticeship Boost initiative, which aims to provide \$77.1 million and a new fund of \$17.1 million for subsidies, to employers of first- and second-year apprentices. (9) While it is acknowledged that the financial support to various trades is an important contribution to the infrastructure of Aotearoa New Zealand post-pandemic and Cyclone Gabrielle, we remain wary of the modes of training of 30,000 apprentices where apprenticeship funding is focused on supporting the employer rather than the apprentice. In an OIA that NZUSA recently received from a member student association, revealed 12.1% of current apprentices have been training for 4+ years, 5% for 6+ years, and 2% (more than 1000) in 8+ years. Our concern is that targeting the Apprenticeship Boost through subsidies towards employers, might endorse the extending out of apprenticeships by employers. We encourage consideration by the Government to ensure that this increase in funding does not result in student exploitation.

There has been a boost to research which is welcomed, yet Government-funded, private and philanthropic postgraduate stipends are largely evidenced to remain under minimum wage and do not account for inflation. There is also no provision - still evidencing broken election promises from the Labour Party - for the return of the postgraduate student allowance, to combat postgraduate precarity.

It is clear that Budget 2023 not only needs to consider the importance of funding the tertiary sector and the complexities that come with inflation, but also to consider the implications of the mode of funding that is offered, to avoid potential student exploitation and inequality.

provision of an additional \$864 million to Whaikaha - the Ministry for Disabled People to provide aid for inflationary pressures on disability support services, is welcomed. (10)

We are also encouraged to see that the Budget will supplement wages above minimum wage, to support businesses employing disabled people. Currently 800 disabled people including students are paid below minimum wage. (11) The aim of the Government to end discriminatory minimum wage exemption by mid-2025 is heartening, and supports equity. We look forward to seeing the difference this will make.

We welcome the Government increasing its investments in Disability Support Services and making half-price fares for Total Mobility services permanent. Easing the pressure on Disability Support Services will help increase the accessibility of these services whilst transforming them. The recognition of the importance of Total Mobility will alleviate pressures for disabled people who struggle to use public transport whilst empowering their transformational effect on inclusion in society.

Funding for Disability



Contribution from Sean Prenter, Co-President of the National Disabled Students' Association



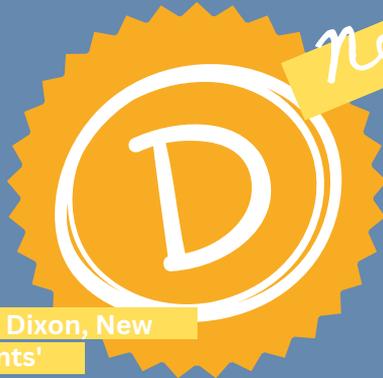
We are encouraged to see the support that the Budget is providing to disabled people. The



Funding for the Cost-of-Living Crisis



Contribution from Ellen Dixon, New Zealand Union of Students' Associations



Needs Work!

This Budget, labelled the “Wellbeing Budget”, has not met the mark to sufficiently address the cost-of-living crisis. The \$29.2 million for Building Financial Capability only seeks to deliver financial advice and debt services to New Zealanders, rather than address the issues of personal debt directly. (12) It is disheartening to see no change to student loans and allowances, given the significant impact that they have on student indebtedness concerning future ability to hold tangible assets and have a family.

The focus of the cost-of-living in the Budget clearly aims at young families. We are glad to see the \$1.2 billion will be put into early childcare education support, in addition to the \$327 million for free public transport for children to get to school, easing pressures for students who are also parents.

The issue is that this orientation has done nothing to address student poverty directly.

Two-thirds of students regularly do not have enough money to buy groceries, clothing and other basic necessities including paying for healthcare. (13) The incremental increases to student allowances - which undergo stringent means-testing and do not apply to a large number of students - are insufficient to address inflation, and are often siphoned off by property management companies. (14) This is arguably because the Government has not considered the cost-of-living crisis from a multiplicity of perspectives, with Infometrics Principal, Brad Olsen, predicting an OCR increase that will shortly impact families who have mortgages, and who may be supporting young children and students, stating

They [the Government] have to look at the overall economy, issues to do with the supply chain, immigration, wage pressure (15)

An holistic approach to the cost-of-living crisis is not being taken, which is why we are seeing the Government work around what could be whole-of-system solutions for students. Broken election promises such as the postgraduate allowance, remains a solution that could manage some areas of student poverty with stipends below minimum wage. (16) Possibility of bursaries towards key areas in industry, debt forgiveness or repayment plans for student debt, and pathways towards a Universal Education Income would have reinforced education for the student, as a public good and a human right.

This lack of an holistic approach also applies to basics across the wider community. While we welcome the removal of the \$5 prescription fee to aid healthcare for students, students are still reliant on indebtedness to manage their healthcare while undergoing a tertiary education. Other solutions which have been called for by iwi and the Child Poverty Action Group to take GST off of fruit and vegetables - which would also aid students - has gone unnoticed. We cannot deny that this Budget appears to therefore have targeted key voting publics, rather than having seriously addressed the cost-of-living crisis. (17)



Funding for Housing



Contribution from Ellen Dixon & Ralph Zambrano, New Zealand Union of Students' Associations

Firstly, we would like to agree with Rosie Collins from Sense Partners, that the Government's plan to provide 3,000 additional public houses by 2025 "is ambitious" and appears to not take account for previous failures to provide sufficient stock for public housing. (18) The provision of \$176 million to motels to manage emergency and transitional housing does not appear to be the long-term plan for managing homelessness - which now includes many students, especially those with young children - which the Government appears to be promising. (19) As Collins says

Three thousand public housing places and \$200m for Māori housing are welcome efforts, but small. There are 24,000 households on the waitlist for public housing. (20)

We are glad though, to see support and provision for emergency, transitional and public housing for students who may fall into homelessness and hardship.

We appreciate the funding provision for the Warmer Kiwis Homes Programme. We believe this boost will help increase the availability and improve the quality of our houses, including those students rent and flatting. The expansion of this programme also has the potential to make it easier for students, renters and tenants to heat their homes and reduce their power bill.

However, it is disheartening to see no direct support in this Budget for renters and tenants. Rents in Aotearoa remain unaffordable. For students in particular, the cost of rent is prohibitive to study and requires students to work to supplement their living expenses. On average, 56% of students' income goes towards rent. Spending up to 30% of one's income on housing is recognised internationally and by the Government as the marker of housing affordability. (21) We call for targeted support for students and renters alike to ease the burden of rental prices, and to increase the quality of housing. Extending the Winter Energy Payment to students would provide targeted relief, and enable students to heat their homes properly. This would improve health and education incomes, and enable students to enjoy their right to a warm, dry home.



Funding for Transportation



Contribution from Ralph Zambrano, Strategic Officer at the New Zealand Union of Students' Associations

It is encouraging to see the steps Budget 2023 takes in making public transport more affordable. We agree strongly with Minister of Transportation, Michael Wood, who has stated that making public transportation free for children will make it easier for them to go to school and put less pressure on households, with a similar situation for half-price discounts for students and young workers under the age of 25.

This change will not impact all students, as roughly 50% of tertiary students are over the age of 25 and will not benefit from affordable public transportation at the end of June. This investment is a step in the right direction but we will continue to

call on the Government to go further, and explicitly include all tertiary students in permanent half-price fares, so as to not exclude postgraduate and mature students.

Free Fares spokesperson, Mika Herval, says,

We would love to see the fare subsidy applied to all full- and part-time tertiary students, but many of the students who are under 25 will benefit from half-price fares. That's important, because it can be a significant administrative hurdle for some people to get community service cards. (22)

This in addition to the Government support for electric vehicle infrastructure and support for state highway and railway networks, suggests a focus on intergenerationality and infrastructure that is greatly welcomed. This is especially welcomed given that the student community has been a key part of the Free Fares campaign in calling the Government to make half-price public transport permanent for all, and fares free for students, under 25s, community service card holders and total mobility card holders and their support people.



Funding for Disaster Relief

Very Good!



Contribution from Ellen Dixon,
President of the New Zealand Union
of Students' Associations

The overarching winner from Budget 2023 is disaster relief. With \$804 million coming in for infrastructure repair including roads, rails, homes and schools, and \$120 to protect people from community protection of future climate events, we appreciate the mindfulness of the impact that Cyclone Gabrielle has had on many people across the motu.

Food insecurity remains concerning at this time with students seeing an increase in access to hardship grants and foodbanks due to inconsistent employment and situational difficulties, with the \$11 million top up to aid food and job security welcomed. Funds for the adaptation of remote communities is also welcomed, to ensure that remote and distance learning can still occur even during natural disasters. We do agree that building into infrastructure will allow for a more long-term resilience to manage these disasters, as stated by the Minister of Finance, Grant Robertson. (23)

This has also coincided with the Budget having more funding for green strategies to manage natural disasters and the climate crisis. While previous years have witnessed multi-billion dollar spending on climate change, this year instead witnesses how funding has now shifted to combatting the impact of climate change rather than simply addressing greenhouse gas emissions. There has been an overall decrease in funding to the Climate Emergency Response Fund, but other areas within the context of disaster relief and the cost-of-living crisis are now jointly addressing climate. Areas such as funding for electric vehicles, private investments into low emissions, green hydrogen use, an agricultural emissions pricing scheme, even the Warmer Kiwi Homes programme, evidence an attempt to act intelligently to address climate and infrastructure.

We acknowledge that this Budget has attempted, in the words of Prime Minister Chris Hipkins, to provide a “recovery package” that

response[s] to the immediate recovery needs of today and invests in greater resilience for tomorrow... so communities can get back to normal as soon as possible. (24)

We would simply contend that being post-pandemic and post-disaster during a period of high inflation, the idea of “back to normal” currently seems a less than useful notion. What is normal for students anymore?

Final Grade

Funding for Tauria Maori & Pasifika C+

Funding for the Tertiary Sector B-

Funding for Disability B-

Funding for the Cost of Living Crisis D

Funding for Housing C-

Funding for Transportation B

Funding for Disaster Relief B+

TOTAL C+

Above Average!

The verdict is in and it is pretty average. Cs may "get degrees" but they evidence a lack of originality and inspiration.

We deserve a Budget that positively transforms the lives of students. We need policies and commitments which show that our leaders understand students and care about our needs. We need our Government to realise that students are in essence, the infrastructure of this nation: our future doctors, nurses, builders, and teachers.

When we are not investing in supporting our ākonga of today, their education, their wellbeing and the environment around them, we are not actively preparing or building toward a future inclusive of those it will affect most. The Ministry of Education utilises the whakataukī: **Poipoia ngā mokopuna, ngā rangatira mo āpōpō**. It is this that we stand by.

Being the leaders of tomorrow, the student leaders of today state that this is not a future that we necessarily see ourselves reflected in. In direct response to Prime Minister Chris Hipkins, let us be the decision makers of our own waka. You were a student leader once, so you know our plight.

Invest in tertiary education. Invest in our futures.

We want no more excuses.



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