



# NEW ZEALAND FIRST

## TERTIARY EDUCATION



**NEW ZEALAND FIRST**  
**FREEPOST**  
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## POLICY STATEMENT

*New Zealand First will implement upfront investment in post-secondary education. This policy will remove the financial burden of student loans, particularly on our young people and replace this with a payable skill debt to the country.*

*The UFI Tertiary policy will reduce both the human and financial waste currently created by inadequate work force planning and under resourced careers advice.*

*Our post-secondary study suite of policies, which includes a universal student allowance, will remove current lurching from skill shortage crisis to individual profession oversupply.*

## COST OF CURRENT SYSTEM

# \$4,183 million

Equivalent to 1.67% of GDP\*\*

<b>Student Allowances:</b>	\$496 million
<b>Crown Subsidies of Student Loan Operation Costs:</b>	\$2465 million
<b>Other Tertiary Funding:</b>	\$719 million

Previously tertiary education spend was well over 2% of GDP\*\*\*

**New Zealand First's** target is to deliver Up Front Investment to Tertiary Education under 2% of GDP

\* Admin, 281 million for PBRF, overall tertiary not Student Loan

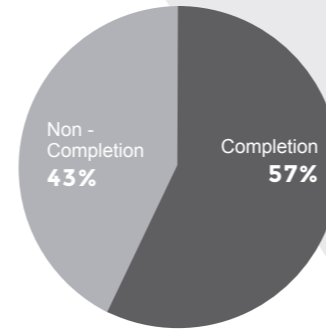
\*\*\* 2009/2010 Tertiary Spend was 2.9% GDP

Source : The Treasury Budget Economic and Fiscal Update 2016. Table 6.7

## QUALIFICATION

### COMPLETION RATES

#### 2009 STUDENTS AFTER 6 YEARS



Source : Ministry of Education (2016) Qualification Completion Rates for Domestic Students 2005-2014

## COST OF NEW ZEALAND

### FIRST POLICY

# \$4,183 million

Equivalent to 1.67% of GDP\*\*

<b>Universal Student Allowances:</b>	\$1433 million
<b>Up Front Investment:</b>	\$3003 million
<b>Other Tertiary Funding:</b>	\$20 million
<b>International Student Levy:</b>	\$222 million

All figures shown are predictive after 25% cost savings from higher completion rates, reduced horizontal shift and stronger use of in work training provision.

"Other tertiary funding" is reduced as Performance Based Research Funding is transferred to science and research budget.

## UNIVERSAL STUDENT ALLOWANCE

- ▶ Introduce a universal living allowance which is not subject to parental means testing as a priority for all full-time students.
- ▶ Remove the deduction regime currently in place if a student earns over a certain dollar value per individual to an income cap yet to be established.
- ▶ Reverse recent amendments to the Social Services Act which shut out full time students from accessing the accommodation supplement when they fit the appropriate criteria.

## WHAT ABOUT CURRENT \$15 BILLION

### DOLLARS OF STUDENT DEBT?

- ▶ Dollar for dollar student repayment. For every year they remain in New Zealand and pay off a dollar we will match this with a dollar write-down.
- ▶ For individuals who spend 5 years working in identified essential service areas in selected regions there would be a complete debt write-off.
- ▶ IRD will still pursue repayment but will shift to a stop at the border "upon entry" not "arrest upon exit."

## POLICY LEVERS FOR SUCCESS

### WORKFORCE PLANNING (WFP)

- ▶ Reinstate the leadership role for workforce planning development by Industry Training Organisations. Require all Government Ministries, where the state provides the majority of services, to establish and participate in planning leadership eg MOE, MOH, MSD, Corrections etc.
- ▶ Amend the Tertiary Education Commission funding model to be a control mechanism when requiring ITOs to develop workforce plans for 5 years, with a forecast for 20 years.
- ▶ Only the required number of identified industry places would be fully funded. Include a 5% to 10% buffer for natural attrition.
- ▶ Students would compete for these places at point of educational entry ensuring greater fit between the student and the field of study.
- ▶ Introduce key markers during the period of study and the ability to transfer from one line of study to another would be a feature of the overall policy.

### CAREER AND VOCATIONAL

- ▶ Upskill and development Career Advisors, tag funding specifically for release time to facilitate both general staff professional development and individual student consultations. Identify and spread best practice.
- ▶ Build on recent absorption of Careers NZ into TEC to create closer links with real life work force planning. Inform and enhance the Careers NZ website with greater forward projections.
- ▶ Strengthen and modify career/vocational advice from Y7 to Y13 as per New Zealand Curriculum.
- ▶ Provide greater resourcing and widen the scope of the Gateway Programme to better facilitate short term internship/work experience to gain a realistic understanding of employment areas.
- ▶ Combine with New Zealand First policy to pay job seekers benefit to approved employers when taking on an apprentice who gains on the job qualifications to further support Small and Medium size enterprises, employment growth and enhanced productivity.
- ▶ Lift apprenticeship completion rates to 80%.

### TRANSFER TO SKILL

- ▶ Upfront Investment would be recorded with IRD using the individuals NSN (National Student Number).
- ▶ Year for year reduction of debt – for every year studied there is an expectation of one year skill exchange. Each year worked in New Zealand would reduce skill debt by a year.
- ▶ Use of bonding system models for certain industries e.g. teacher, nurses, doctors, police along with other industries would accelerate skill debt reduction.
- ▶ For those who wish/need to go overseas to gain further international knowledge, industry lead groups e.g. Medical Council, would be required to find a similarly qualified person to come to New Zealand for the period our citizen is out of the country. This person would count toward the year for year repayment.
- ▶ If individual left New Zealand, without replacement and did not return, IRD would convert the skill debt into a dollar debt which would be pursued under current interest charging conditions.

TEAR HERE

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