

Sarah Shier
The University of Auckland

Word count: 1,980

Reducing Tertiary Education Disparity in New Zealand

Introduction

Educational achievement is at an all-time high in New Zealand as a historically large proportion of the population has access to higher education. Despite the aggregate growth within tertiary education, attendance among Māori, Pasifika and low-income students remains below average. Recent government initiatives, such as the Youth Guarantee programme, have endeavored to improve upon educational inequality. Nonetheless, disparities in educational achievement continue to persist among Māori, Pasifika and students with lower socioeconomic backgrounds. Providing fees-free education for Bachelor level programmes will enhance higher education among these demographics, leading to benefits for both individuals and society as a whole. Nonetheless, prudent implementation of this reform is necessary to ensure the desired objectives are achieved. If providing fees-free education is not feasible, government policies can still reduce inequality by focusing on other areas, such as funding transition support programmes for first-year students.

Educational disparity in the status quo

Although inequality at all levels of education is a cause for concern, disparities among demographic groups are particularly daunting at the tertiary level. Empirical research demonstrates the broad benefits of tertiary education to both individuals and society as a whole. In New Zealand, achieving a college degree is strongly correlated with increased income, improved health and better quality of life. Society as a whole benefits from an educated populace with skilled human capital, a healthier population and increased GDP (Education Counts, 2013).

Although Māori and Pasifika tertiary enrollment rates have risen in recent years, these demographics remain underrepresented within Bachelor-level programmes. The tertiary education enrollment rates for Māori and Pasifika school leavers were 15 and 19 percent respectively, which is well below the 23 percent average within the general population. Retention of minority and low-income

students is additionally problematic, with around 60 percent of Māori and Pasifika students completing a level 4 qualification within five years, compared with 74 percent of the aggregation population (Ministry of Education, 2014). Although tertiary enrollment among Māori and Pasifika students has risen in recent years, these groups are disproportionately represented in foundation level programmes that provide little future earnings benefits upon graduation (Education Counts, 2013).

Students from low socioeconomic backgrounds also remain underrepresented within Bachelor-level programmes. A longitudinal study conducted in Christchurch indicates that individuals from a lower socioeconomic background were less likely to attend university than peers with similar achievement and abilities (McLaughlin, 2003). Furthermore, qualifications pursued by low-income students are often perceived by employers to be inadequate (Strathdee, 2011). Low-income students face similar challenges as their Māori and Pasifika peers. Additionally, more than 90 percent of Māori and Pasifika school leavers graduate from low or middle decile schools, meaning that significant overlap exists between low-income and minority students (Crooks, 2002). Thus, policy measures targeted at Maori and Pasifika students are likely to benefit low-income students and vice-versa.

The prohibitive cost of tertiary education is one of the most pervasive contributors to minority and low-income underrepresentation within Bachelor level programmes. Since 2011, tuition hikes by major institutions caused the average full-time tuition expense for tertiary students to increase by 7.9 percent (Ministry of Education, 2012). Additionally, government spending on education as a percentage of GDP has declined each year since 2009 (Ministry of Education, 2012). Government cuts on education spending, coupled with rising university fees, have made tertiary education opportunities unattainable for many students. Although the prospect of future economic gains justifies the cost of a degree, students remain reluctant to invest in their future.

The rapid growth rate of Māori and Pasifika populations amplifies the need to address educational inequality. By 2030, 30 percent of New Zealand's population

will be Māori or Pasifika, making tertiary education all the more crucial for our country's future (Ministry of Education, 2014). If not corrected, the current educational disparities will seriously impair the future availability of skilled human capital in New Zealand. Providing free, Bachelor-level education for Māori, Pasifika and low-income students will require significant hikes in government education expenditures. However, disparities within New Zealand's education system demonstrate that current levels of spending are simply insufficient to ensure the development of a skilled and productive workforce.

The benefits of affordable tertiary education

The availability of affordable higher education will encourage more students from disadvantaged backgrounds to enroll in Bachelor-level programmes (Earle, 2012). Furthermore, providing a merit-based pathway to higher education will encourage success and achievement at the secondary level. Students from low-income backgrounds are less motivated to succeed if they dismiss the option of tertiary education for financial reasons. If students aspire to obtain entry into a tertiary institution, they can engage in meaningful goal-directed behaviors that improve learning outcomes (Galindo-Rueda, Marcenari-Guiterrez and Vignoles, 2004). Additionally, fees-free education may help to improve retention rates by reducing financial stressors on students (Benseman, Coxon, Anderson & Anae, 2006). Similar tertiary funding programs in the status quo, such as the Education Counts initiative, have improved graduation rates among minority populations. Providing fees-free education opportunities will encourage students from all backgrounds to reach their full potential.

Research indicates that implicit or explicit racism within the current education system leads to low expectations for Māori students, which in turn affect teacher's practices and learning outcomes (Timperley & Alton-Lee, 2008). Although discrimination is problematic within the current education system, encouraging minority populations to pursue higher-level tertiary qualifications, such as Bachelor degrees, may help to reduce disparity. The "returns to study" experienced for both Pasifika and Māori Bachelor degree graduates are higher than for graduates in other

demographic categories, which indicates that tertiary education provides a method to reduce race-related disparities in earnings (Education Counts, 2014a). However, for Māori and Pasifika graduates with certificates, the “returns to study” were lower than those for comparable groups, indicating their comparatively lower economic benefit. Offering fees-free education will help to promote equality and create a sustainable source of future human capital in New Zealand. As noted by the Treasury’s higher living standards framework, both of these factors are essential to promote quality of life in New Zealand (New Zealand Treasury, 2014).

Promoting educational equality is important not only for underrepresented groups, but also for society as a whole. Increasing the number of college graduates in fields of critical need, such as science and engineering, will result in long-term GDP boosts that are likely to offset the initial expenditures. To meet the rising demand for skilled labor, the New Zealand Ministry of Education aspires for over 50 percent of adults to have level 4 qualifications by 2017 (Ministry of Education, 2014). Tertiary education in New Zealand generates a “high internal rate of return”, meaning that the earning power and labor market benefits received from education tend to exceed the real cost (Blondall, 2002). Bachelor-level education is linked with a myriad of positive externalities, including reduced crime, civic involvement, and higher life expectancy (Hall, 2006).

Costs of fees-free education and potential problems

The “fees-free” incentive must be carefully designed to ensure that desired benefits are achieved. Similar education measures in the past have increased the number of students enrolled in tertiary programmes, but did not improve learning outcomes. Under the 1999 education reforms, providers were guaranteed funding based on enrollment numbers and little accountability was required to monitor student attendance and performance. Providers enrolled students in programmes without rigorously evaluating their qualifications and many students were unable to successfully complete graduation requirements (Strathdee, 2006). Renewal of the fees-free programme ought to be contingent on students’ academic performance and effort.

Although the fees-free education initiative has the potential to make a positive social and economic contribution to New Zealand, prudent policy planning and implementation is imperative to ensure the intended objectives are achieved. The cost of providing education will be high, as demonstrated in Table 1. These figures estimate the programme’s potential cost based on historical levels of enrollment in Bachelor’s programmes. However, they do not provide an entirely accurate indication of future enrollment numbers under a fees-free programme. The number of students choosing to study in Bachelor’s programmes will likely increase, as students will choose this option over other alternatives such as polytechnic school or trade schools. Additionally, there is significant overlap between the low decile and Māori/Pasifika demographics (Crooks, 2002). Although the long-term economic benefits of this measure justify the initial expenditure, the cost of adopting the fees-free measure is certainly an important consideration.

| Estimated Cost of Tuition Assistance Programme¹ | | | |
|---|----------------------|---------------------|----------------------|
| Demographic | # of Students | Average Fees | Total Cost |
| Pasifika | 9,855 | \$5,800 | 57,159,000 |
| Māori | 17,635 | \$5,800 | 102,283,000 |
| Low Decile (D1-D3) | 14,940 | \$5,800 | 86,652,000 |
| Total cost: | | | \$188,935,000 |

Additionally, the effectiveness of financial incentives may be impaired if other problems that contribute to education inequality are not addressed. Other factors in addition to financial stressors, such as lack of social integration and inadequate academic support, contribute to low enrollment and retention rates

¹Demographic numbers based on enrollment in 2012 Bachelor-level programmes in New Zealand. Average fees are approximate and vary by programme and university choice. The above numbers are based on the University of Auckland’s 2014 tuition fees for full-time domestic students. As discussed, numbers will vary significantly upon implementation of programme due to increased enrollment in Bachelor programmes. Sources: University of Auckland, 2014; Education Counts, 2014b.

among Māori and Pasifika students. As a result of these problems, Bachelor degree completion rates among Māori and Pasifika students remain low relative to the national average. Completion rates for Māori and Pasifika in 2011 were 60 and 59 percent respectively, compared with the 82 percent average (Education Counts, 2013). Additional education reforms to address these problems ought to complement financial support measures to ensure the policy's effectiveness.

Alternatives to government-supported education

If universal fees-free education is not financially feasible, these tuition incentives can be limited to students who are studying in fields of long-term skill shortage, such as engineering and health sciences. (Immigration New Zealand, 2014). For the past four years, the “ease of finding skilled labor” measure on NZ's Survey of Business Opinion has consistently declined, indicating a shortage of skilled labor (Ministry of Education, 2013). During the same period, the unemployment rate has continued to rise due to the mismatch of labor supply and labor demand (Ministry of Education, 2013). This discrepancy in the labor market can be addressed through a system that provides financial incentives for students who pursue degrees in areas of skill shortage.

Furthermore, alternative policies can be implemented in order to address social problems contributing to education inequality. Financial stresses contribute significantly to education disparities, but are not the only contributing factor. Levels of engagement within the university and local Māori community strongly influence students' achievement (Robinson, Hohepa, and Lloyd, 2009). The expansion of programmes such as Awhina, which encourage the development of a whanau (family environment) at university, help to promote expectations for success and achievement (Penetito, 2004). A longitudinal study of Awhina at Victoria University in Wellington indicated that the programme not only fostered academic success but also encouraged students to pursue postgraduate education. During the first five years of Victoria's Awhina programme, Māori enrollment in postgraduate science nearly doubled (Wilson, 2011).

Policies that promote a successful transition to tertiary education for Māori and Pasifika students are also advisable. Research has indicated that these

demographics are at a higher risk of receive low grades in their first year of university. (Shulruf et al. 2008). Students who do not complete tertiary education programmes have cited first semester adjustment difficulties as a significant barrier to academic success (Wilson, 2011).

Conclusion

Despite New Zealand's unprecedented achievement in tertiary education, inequality continues to impair the success of Māori, Pasifika and low-income students. Enhancing financial support measures for students within these demographics will combat inequality, leading to improved socioeconomic status for individuals and benefits to society as a whole. In lieu of financial support, the government can adopt alternative measures to reduce disparities by addressing other causes of educational underachievement. Given the projected growth among Māori and Pasifika populations, combating educational inequality is essential to guaranteeing a productive and educated future workforce.

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