

# Sharp decline in number of working class students in New Zealand

A correspondent  
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A leading New Zealand academic has spoken out against a precipitous decline in the number of students from working class backgrounds entering the country's universities.

In a keynote speech delivered last week to the inaugural Pacific Islands Education Conference in Auckland, Professor Anne Salmond, Pro Vice Chancellor of the University of Auckland, warned that a lack of financial resources was causing an educational crisis for students graduating from the poorest secondary schools.

Over the past three years, the number of students enrolling at Auckland University, the country's biggest, from schools in the working class areas of South Auckland had declined by 43 percent. The figures, from research undertaken by the university, also showed that a decline of 49 percent had hit enrollments of students from schools in the depressed rural areas north of Auckland.

Salmond said students from poor backgrounds, most often from Maori and Pacific Island families who make up the most oppressed sections of the working class, are falling out of the education system as if they are "dropping off a cliff". She slammed the "waste of human resources" revealed by the figures, describing it as an educational scandal.

Maori and Pacific Island students have never been proportionately represented in the country's tertiary education system. Over a period of 20 years from the early 1970s, working class Pacific Island families struggled to raise their level of participation at Auckland University from 0.7 percent of the student population to 7 percent. This compares with a total Pacific Island population in the Auckland region of 11 percent. In Wellington, the number of Pacific Islanders at Victoria University is only 3.5 percent (500 students, half of them part-time, out of a total of 14,500), compared with 17 percent in the region's wider population.

Salmond identified the capacity to afford tertiary education as the key reason for the decline in the enrollments. There has been the sharp rise in fees for all tertiary study over the past three years. The cheapest undergraduate university courses now cost about \$NZ3,500 a year, with more expensive programs such as medicine costing \$8,000. In contrast, studies by the university reveal the average per capita income across large parts of working class south and west Auckland to be a meagre

\$9,000 a year.

The principle of free access to tertiary education was overturned by the previous Labour Party government in 1989 when it imposed a uniform flat fee of \$1,250 per year for all courses in universities and polytechnics. This was justified on the grounds that the government could no longer afford to fund the increased number of people entering tertiary study.

However, the application of fees soon turned into a device for cutting government funding. Between 1990 and 1995, the level of government funding per student declined by 6.7 percent. Following an entirely tendentious "review" of education expenditure in 1994, the present National Party government announced it would reduce its own contribution to all course costs to 75 percent of the total, with students expected to make up the shortfall through fees. The result has been rapidly escalating fee structures.

Students have two main ways of funding their tertiary education--student allowances and loans. Universal student allowances were replaced in 1991 with a strict targeting regime. Allowances, which are paid at below the level of the unemployment benefit for students under 25 years of age, are means tested to parental income. A household with two working parents soon crosses the threshold where the son or daughter is eligible to receive any student allowance, even if they are earning relatively modest incomes. Eligibility is also based on joint parental income, regardless of whether the student actually lives with both parents.

The student loan scheme, introduced seven years ago, has become the main source of funding, which students have been forced to turn to in order to underwrite course costs and living expenses. Every year, more students are forced into debt.

According to Liz Gordon, the education spokesperson of the Alliance, one of the opposition parties, the total level of indebtedness under the scheme is already \$3 billion. By the middle of next year, it will exceed \$4 billion and continue to rise by a billion dollars a year from then on.

Three hundred thousand students and former students now carry student loans. Two years ago the average level of debt was \$5,020 per person. It has now more than doubled to \$10,600. Some students in longer courses with high fees, such as dentistry, veterinary science and medicine, expect to

accumulate debts of more than \$60,000 by the time they complete their studies.

Working class students are particularly disadvantaged by the scheme, firstly because they inevitably have to borrow more, and secondly because of the harsh and onerous repayment conditions. A loan begins to accumulate interest, at almost full commercial rates, from the moment it is taken out. Repayments start when a graduate starts earning \$12,000 per year, less than half the average wage. The repayment rate is set at 10 percent of income, compared with the Australian loans scheme of between 1 and 4 percent.

The loan scheme is in fact a case of state-sponsored usury, carried out at the expense of young people. This year, the government will lend about \$700 million to tertiary students, who will be required to pay 7 percent interest. Figures released by Gordon show that interest payments will add some \$240 million to the total debt in the current year alone. Over the next three years that figure will rise to \$885 million, indicating that the scheme has become a mechanism for financially hobbling students for generations to come.

According to Professor Salmond, students from poor families, facing the biggest loans and disproportionate debts, are simply giving up on the hope of a tertiary education. This is making the system more stratified than ever.

Other factors have contributed to this situation. The "Tomorrow's Schools" policy of competitive self-managing schools, introduced by Labour in 1989, has opened up a widening chasm between rich and poor secondary schools, which has resulted in students from the poorest schools struggling against enormous odds to achieve the academic qualifications required for university entrance.

Students at so-called "decile one" schools, i.e. those at the bottom of the social and economic ladder as defined by the Ministry of Education, have only a 19 percent chance of getting through into bursary level study in the final year of school, as opposed to 50 percent in all other schools. Once they get to this level, students in the poorest schools only have a 32 percent chance of actually passing, again compared with 50 percent in all other schools.

A wholesale assault on the social position of the working class and youth has sharply intensified the crisis facing all students over the recent period.

- The destruction of jobs in the wider economy has made it particularly difficult for students to support themselves with part-time or holiday work. A national student job search scheme, organized through the student unions, which has traditionally placed students over the summer break has experienced a progressively reduced pool of jobs over the past three years. It can now only place a portion of the students seeking summer work.

- The government last year decreed that students who were forced into unemployment during the summer holiday break

would no longer be eligible to claim the unemployment benefit, as they were deemed not to be seeking permanent full-time employment.

- The abolition last year of student allowances for those under 18 years of age has significantly affected working class students trying to begin tertiary study.

- Bureaucratic bungles during the first three months of this year held up the payment of student allowances by the recently restructured government department of Work and Income NZ, forcing many students out of their rented accommodation and leading them to beg for food from foodbanks and other charities. As at the end of March, a quarter of the 50,000 new applications for allowances had yet to be processed, causing severe distress to thousands of students from low-income homes.

- Of all the OECD countries, New Zealand has the worst record for the provision of scholarships to low and middle-income students. There are no directly funded government scholarship schemes aimed to open up access to tertiary education. Auckland University has recently established, from its own resources, a \$1 million fund to offer a limited number of such scholarships, but it has done so against a background of cuts to other areas of expenditure. The university has recently announced job cuts of up to 100 staff due to a budget blowout last year of \$30 million.

Professor Salmond concluded her address to last week's conference by denouncing the prevailing "cynical disinterest in the fate of others", particularly in the area of education, as the "philosophy of fools". The abandonment of the principle of free and equitable education will not, however, be reversed by any of the political parties. The leading opposition party, Labour, despite proclaiming itself the "party of education," has no policy to return to free tertiary education, nor will it cancel the student debt mountain.



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