# Media Release

# A fair go for NZ citizens in higher education

Due 8 June

This statement relates to the proposal to remove New Zealand Citizens and Australian Permanent Residents eligibility for Commonwealth Supported Places as outlined in the *Higher Education Support Legislation Amendment (A More sustainable, responsive and Transparent Higher Education System) Bill 2017*.

A high proportion of New Zealanders who migrate to Australia choose to make a permanent life for themselves in Australia and there are significant populations across Australia. The Department of Immigration and Border Protection estimated that over 640,700 were in Australian in 2016[[1]](#footnote-1). In 2015 over 12,000 students were enrolled at tertiary institutions ploughing valuable funds into the sector[[2]](#footnote-2). As equity practitioners we have no doubt that many more students would be accessing higher education if barriers to participation such as upfront or high tuition fees were reduced.

EPHEA and the Sector have previously advocated for fairer access to higher education for Australian resident New Zealand citizens particularly in relation to students from low socio-economic (low-SES) backgrounds. Universities across Australia have recognized the need to work closely with Maori and Pacific Islanders who have migrated to Australia as New Zealand citizens and support them to access higher education.

We are very concerned that, since access to student loans was removed in 2005, this cohort has found it very difficult to access higher education. We were heartened when, after consistent lobbying, New Zealand citizens who have lived in Australia for at least 10 years and arrived as children were granted access to HECS-HELP in January 2016.

Lack of HECS-HELP has continued to be a considerable barrier for prospective students who have lived in Australia for less than 10 years. However a small number of students from low-income backgrounds who have found ways to pay their fees upfront (through part-time work etc.) have acted as role models for New Zealand citizen school students and their parents; giving them hope that tertiary education can be a reality.

Considerable work has been done between equity practitioners and school and community partners to properly prepare families for the particular challenges of the Trans-Tasman Travel Agreement which allows indefinite rights to work but no access to social security supports, education, or voting rights.

We recommend that New Zealand citizens residing in Australia should retain access to Commonwealth Supported Places (CSPs) for the following reasons:

1. **New Zealanders seeking to access Australian higher education are more akin to domestic students than international students.** They are likely to be long-term Australian residents who have been educated in Australia and for whom **Australia is home** and whose families have contributed to Australian society via the tax system and through other positive contributions to Australian life. We therefore consider the proposed legislative amendment – where New Zealanders would receive treatment similar to international students – a backwards step.
2. **The Federal Government has committed to assisting people from disadvantaged backgrounds** through programs such as the Higher Education Partnerships and Participation Program (HEPPP). This recognizes that education is the key to better socioeconomic outcomes to individuals and communities. **The proposed changes would see New Zealand citizens subject to $100,000+[[3]](#footnote-3) degrees.** This runs counter to equity ambitions and is likely to see greater deferred debt liabilities for the Government. It will also exclude a significant cohort from access to better educational and employment opportunities.
3. People from low income backgrounds tend to be **debt averse**, and for good reason. They are much more reluctant than those from affluent backgrounds to commit large amounts of money to tertiary education even when CSPs and student loans are available. Hence the need for programs such as the Higher Education Participation and Partnerships Program (HEPPP). A cost–benefit analysis of the debt incurred by a full-fee student loans makes higher education unattractive to people from low-income backgrounds particularly when other priorities are taken into consideration. This is particularly true for prospective students from Maori and Pacific Islander backgrounds who have cultural obligations to contribute financially to their wider family. Many prospective students also have ambitions to start a family and/or buy a house in Australia which are difficult to achieve while paying back a large student debt. This view is borne out in the human stories below.
4. It is important to note that **New Zealand citizens have limited pathways to citizenship**. Hence, the situation New Zealand citizens find themselves in is different to that of Permanent Residents who have the opportunity to become citizens, and hence qualify for CSPs, after a waiting period. This will be partially rectified by a new pathway to citizenship for NZ citizens that will become available from 1 July 2017[[4]](#footnote-4). However, as there will be a minimum time lag of two years before eligible New Zealand citizens are granted citizenship, this will be of no assistance in the short-term. There is a considerable cohort of young people whose parents do not earn enough to qualify for this pathway to citizenship. They have few options beyond low-skilled, low paying jobs even when they have qualified academically for university study.

In announcing the proposed changes, the Federal Government estimated enrolments from New Zealand citizens and Australian Permanent Residents would increase by up to 60,000 equivalent full time students. However, this scenario appears to be highly unlikely as the **reaction to the proposed changes from affected New Zealand citizens has been uniformly negative**. Our members cite a range of examples of students and families who will be cut-off from options with these changes. For example,

* The family of a current Year 12 student who is a NZ citizen have been aware of the challenges around affordability since their daughter has been in Year 10. They have been setting aside funds for a number of years to afford the first year of tuition. The total anticipated fees for her degree are around $21,000. The family have saved around $7000 for her first year in a Bachelor of Nursing. Their daughter is also contributing to future fees and other university costs through part-time work. She will need to assist in contributing fees for subsequent years of the three year program as her parents have other children to save for. The anticipated change to the fees for a Nursing degree have overnight increased the total cost to $84,000. The family don’t consider this to be a viable option and now need to consider other options.
* A young New Zealand citizen who left school two years ago and managed to save sufficient funds from his warehouse job to cover first two years of a Bachelor of Business (around $20,000) is currently undertaking part-time study and part-time work in order to complete his degree. He works around 25 – 30 hours per week to cover his living expenses and ensure he has is up-front fees his remain year of study. He is concerned that the proposed changes will mean he is now likely to incur a debt of $25,500 for the remaining year and he is concerned about the debt liability. Dragging out the degree further also means taking longer to complete and stifles his employment ambitions.
* A family whose high achieving daughter was valedictorian of her school and considering a medical degree has received some local community sponsorship to support some of the study costs associated with her planned degree. The family had also put aside considerable funds and believed their daughter’s study pathway to be viable. The proposed changes mean that the potential fee liability is too great for a young person leaving university even in a well-paid position such as a doctor. The family considers their only viable option will be for their daughter to attend university in New Zealand and stay with extended family. Their daughter has had to relinquish the scholarship and use saved monies to travel back to New Zealand. The impact on the family unit and the student’s own support network is now less than ideal.

## Recommendation

The preferred and recommended option for a fairer and accessible education system is to retain CSPs and extend HECS-HELP to this cohort. We consider this realistic in light of recent Government reforms to improve recoveries of student loans from debtors who move overseas.

## About EPHEA

As the national body of equity practitioners in the higher education sector we wish to ensure the continued essential work being undertaken by our members to support access and participation of disadvantaged groups into higher education. Our membership includes over 600 equity practitioners from across 32 Australian universities and six New Zealand universities.

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1. Department of Immigration and Border Control. Fact sheet - New Zealanders in Australia <https://www.border.gov.au/about/corporate/information/fact-sheets/17nz> [↑](#footnote-ref-1)
2. Department of Education and Training Higher Education Statistics: Table 2.10: All Students by State, Higher Education Institution, Citizenship and Residence Status, Full Year 2015: <https://www.education.gov.au/selected-higher-education-statistics-2015-student-data> [↑](#footnote-ref-2)
3. Estimated cost of a Bachelor of Education or Nursing is around $106,000 to $110,000 and an Engineering or Science degree is around $130,000 [↑](#footnote-ref-3)
4. From 1 July 2017 New Zealand citizens who moved to Australia between 2001 and 2016 who have earned at least $53,900 for the past five years will be eligible to apply for Permanent Residency subject to character and health requirements. See: <https://www.border.gov.au/Visasupport/Pages/an-additional-pathway.aspx> [↑](#footnote-ref-4)