

26 July 2018

Consultation on the Annual Maximum Fee Movement rate for 2019

We are pleased to provide feedback on the proposed Annual Maximum Fee Movement (AMFM) rate for 2019 as part of the Ministry of Education's consultation process.

About Te Rito Maioha Early Childhood New Zealand

Te Rito Maioha Early Childhood New Zealand is a national organisation. For the past 55 years we have been committed to the promotion of high-quality early childhood education (ECE) for every New Zealand child, through initial teacher education, professional development, leadership programmes, advocacy and membership services.

Te Rito Maioha is also one of New Zealand's top providers of initial teacher education for ECE teachers, and is recognised as a leader in bicultural teacher education. We are a private training establishment (PTE) that delivers a suite of qualifications and teacher education programmes to both domestic and international students.

General comments on the proposed AMFM rate of 2% for 2019

We support, with reservations, the proposed maximum rate of 2% by which tertiary education organisations can increase their tuition fees for domestic students for 2019. While we naturally welcome opportunities to increase our revenue, we would prefer that the onus for helping to meet rising costs not rest with students. We encourage the government to review tertiary education funding policy, in particular the Student Achievement Component (SAC) funding.

While we acknowledge the minor increases in the past seven years of government funding and student fees,¹ we think it is important that the government recognise that these increases are not keeping pace with rising operational costs. In other words, the explicit intent of the AMFM to strike "a balance between protecting the affordability of tertiary education for students, while allowing tertiary providers to keep pace with costs" is not being realised. For example, some private education providers are encountering ongoing, steep rent or rates increases, which the funding model does not factor in. The rising compliance burden on providers also comes at considerable cost, which current funding levels do not allow for. There have also been instances where providers have had to close down or diversify their offerings because SAC funding was not meeting their costs.

Submission to the Ministry of Education by 27 July 2018: tertiary.strategy@education.govt.nz

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¹ New Zealand Productivity Commission. (2017). *New models of tertiary education: Final Report*. Available from www.productivity.govt.nz/inquiry-content/tertiary-education. Chapter 10: while average SAC funding for PTEs declined in real terms between 2001 and 2009, it has subsequently risen; and the introduction of the AMFM in 2010 allowed for annual fee increases for domestic students (initially capped at 4%, then lowered to 3% in 2016, and 2% in 2017).

