

KIATO TOA: INVESTING IN THE FUTURE COOK ISLANDS TERTIARY STUDENT LOANS SCHEME

“All people in the Cook Islands will have equal access to quality learning opportunities across the full spectrum of human endeavour from birth.”

(Cook Islands Ministry of Education, 2007)



PROPOSAL

Kiato Toa (Puapii, R. 2020). Investing in the future - Cook Islands tertiary student loans scheme.

“All people in the Cook Islands will have equal access to quality learning opportunities across the full spectrum of human endeavour from birth.”

(Cook Islands Ministry of Education, 2007)

This proposal outlines the setting up a Cook Islands Tertiary Education Student Loans Scheme. The provision of a student loans system would provide Cook Islanders with opportunities for in-country tertiary education and would result in the following key outcomes:

- Cook Islands people would gain world class skills and knowledge;
- tailored current and future workforce to meet labour market and human resource demand, sustainability and social and cultural needs;
- retain Cook Islanders in country and reduce overseas recruitment;
- equitable educational outcomes for Cook Islands people at less cost, delivering on the National Sustainable Development Plan;
- support Cook Islands social, cultural and economic development; and
- build the Cook Islands research, community and knowledge base

Rationale

As the Prime Minister states in the *Cook Islands Government Public Sector Strategy 2016-2025* (Cook Islands Government, 2015a) the Cook Islands faces significant challenges to maintain contemporary and equitable social development while also remaining economically viable. The ability to access tertiary education without having to leave home can support the development of the skilled human resources required across the country to help to address these challenges. Cook Islands Government also has responsibilities to tertiary education under Article 13 of the United Nations International Covenant on Economic Cultural and Social Rights (1976) which states the following:

1. The States Parties to the present Covenant recognize *the right of everyone to education....*
2. The States Parties to the present Covenant recognize that, with a view to achieving the full realization of this right:
 - (a) *Primary education* shall be compulsory and available **free to all** (achieved by Cook Islands)
 - (b) *Secondary education* in its different forms, including technical and vocational secondary education, shall be made generally available and accessible to all by every appropriate means, and in particular by the progressive introduction of **free education**; (achieved by Cook Islands)
 - (c) **Higher education shall be made equally accessible to all**, on the basis of capacity, by every appropriate means, and ***in particular by the progressive introduction of free education. (To be achieved by Cook Islands)***

Currently Cook Islanders can only access interest free student loans and fees free tertiary education IF they leave the country to study in New Zealand where they incur a NZ student loan and can then apply for that to be repaid when they return to the Cook Islands through the 'Te Reinga Akataunga'anga – The Cook Islands Tertiary Study Support Programme' or are one of a very few who receive a Cook Islands Government scholarship. Cook Islanders who want to do tertiary study in the Cook Islands on the other hand are not eligible for a loan or to apply for the Te Reinga Akataunga'anga scheme and must pay upfront for their degrees themselves (sometimes with reimbursement from employers if they are working), or successfully receive one of a very limited number¹ of in-country student scholarships available.

For these reasons, many students leave the Cook Islands to do their tertiary education (particularly their undergraduate studies). This has negative impact on students, families and communities. These impacts include additional financial costs, impact on their wellbeing and support structures, and ultimately depopulation for the Cook Islands as many of our students do not return (as described in several articles in CINEWS (see front page 16.1.2020) as well as on social media). The development of a Cook Islands Student Loans scheme would enable those students who want to remain in the Cook Islands to access tertiary education whilst also remaining in country with their existing support networks and fulfilling their existing community roles, also at less cost.²

These cost barriers also result in educational inequities, with only those community members who are able to afford it accessing tertiary education. Such inequities were the driving force behind NZ developing their student loan scheme.

Providing Cook Islands citizens with the ability to study in-country through a local student loans scheme will address issues identified at the 2019 Economic Summit such as:

- having to recruit skilled workers from overseas
- student population retention
- ability to deliver on the goals identified in the National Sustainable Development Plan.

Vision

“Improve opportunities for social and economic advancement for all people in the Cook Islands to participate in a vibrant Cook Islands economy”

(Cook Islands Government, 2015b)

Development of this scheme will meet the goals set across the National Sustainable Development Plan to:

- provide equitable access to tertiary education for Cook Islanders living in the Cook Islands.
- equip Cook Islanders with the knowledge, skills and values to be successful citizens

¹ 2020 there were three in-country scholarships available out of the five available as two had already allocated in previous years.

² See cost comparison example in Appendix A.

- ensure that the Cook Islands has the skills it needs to improve economic performance, cultural development and sustainable growth
- supply a skilled workforce to meet the urgent identified shortages within the Cook Islands.

Study possibilities

A wide range of study options for students to access. Courses are available from across multiple schools such as Arts, Education, Culture, Business, Economics, Science, Technology, Environment, and Sustainable Development. Discussions are underway with multiple Ministries for possible study options e.g. Border Security (MFAI and MoJ) to Marine (MMR), Commerce (MFEM), Policy (OPM) and leadership (OPSC). While some of these discussions are for Post Graduate study others are for undergraduate with some organisations future thinking for succession planning of their human resourcing.

Realising some of these opportunities would result in the following progress towards fulfilment of a long term tertiary education strategy for the Cook Islands:

- increased number of Cook Islands people under thirty achieving qualifications of level 4 and above, particularly degrees
- increased numbers of Cook Islanders achieving at higher qualification levels
- increased number of Cook Islands young people moving from school to tertiary education

Possible repayment options

While there are multiple considerations for how the Cook Islands Student Loan Scheme would operate, one example is offered here.

If the **borrower is Cook Islander or Permanent Resident of Cook Islands, loans are repaid by service** back to Cook Islands Ministries / organisations / private sector. This provides benefit to the students as they gain a degree without having to pay up front, and benefit to Cook Islands Government and private sector by having skilled and bonded human resources (noting the human resource shortage across the Cook Islands Government sectors).

If the **borrower leaves the Cook Islands, loans are repaid at a rate of XX** (whatever MFEM decides but an example is 12 cents for every whole dollar of taxable income earned over a repayment threshold of NZ\$19,448 per annum - \$374 per week), and interest is charged (amount tbc by Government) e.g. at 5%. Here, students benefit by receiving a degree with no up-front cost, and the Cook Islands Government benefits by earning interest on funds. Links with NZ and Australian tax offices could support this approach, and these linkages are already being discussed for repayment of NZ Student loans.

Example illustrating the need for a student loan scheme.

USP Cook Islands recently developed of a full time in-country Bachelor of Education (B.Ed), and 38 expressions of interest were received for 25 places. Many prospective students were already working full time but stated that they had aspired to study for many years but they did not want to leave the country to do so. Many had financial commitments such as mortgages etc. which requires them to work and having a student loan would help them meet these commitments. Unfortunately without in-country funding support for this programme these prospective students cannot afford to pay the proposed tuition costs (See Appendix A), noting that these costs at USPCI are half that of doing a B.Ed in New Zealand, and the qualification is recognised internationally.

While this is one example, it shows the desire to study full time without having to leave home. In discussions with other Ministries and the Private Sector, the need for the ability for Cook Islanders to study full time at home has been a constant theme. A Cook Islands Student Loan Scheme would facilitate the strengthening of citizens and Government and is a necessity in a developed nation.

This example illustrates the ability to provide degree programmes to meet the current and future training needs of the Cook Islands. USP is also in discussion with other Ministries to develop programmes identified by their Secretaries to ensure both strong human resourcing plans are in place.

Appendix A: B. Ed costings

In November 2020 there were 104 unqualified teachers working in schools. MoE policy states that teachers must have a degree. The MoE teacher training programme takes three years and students come out with a Certificate qualification and then are expected to continue to work towards attaining a degree (this takes another approximately 12 years to complete as teachers usually do one paper a semester as they are also working full time). For this reason, USP offered a full time Bachelor of Education programme to support the level of qualified teachers working in schools. Thirty eight people were interested but as there was no funding, none enrolled.

Costs for the B.Ed are anticipated at:

25 students	Cost 2020/21	Cost 2021/22	TOTAL NZ\$
Tuition	193,675	240,450	434,125
Living allowance	250,000	250,000	500,000
			934,125

A total of **\$37,365 per student** (for tuition and living allowance) would significantly strengthen our education capacity and capability in a B. Ed that is recognised by the NZ Teacher's Council. It would save on recruitment money spent annually endeavoring to recruit teachers from NZ and if the costs were covered by the student loan scheme, with students bonded as their repayment, then HR shortages are also addressed.

The proposed tuition fees alone are \$17,510 per student. This compares to \$30,046 (+ text books and living expenses) at the University of Auckland and \$28,915 (+ text books and living expenses) at the University of Waikato. A modest living allowance supplied through the student loan scheme would also support students to focus on their study. The B. Ed year is spread over 42 weeks rather than 24 to accelerate the graduation of teachers given the shortage of teachers in the country. Due to the high number of study hours per week it will be very difficult for students to work while studying and maintain good grades and service their financial commitments.

References

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