



## **MEDIA RELEASE**

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Attention: Education and Political  
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For Immediate Release

### **Student debt reaches \$10b – a millstone, not a milestone**

Students and graduates around New Zealand will be marking collective student debt reaching an astonishing \$10billion tomorrow with events and protests highlighting the inequity of the student loan scheme and the unsustainability of a debt-laden generation.

“Family formation, home ownership, business start-up and retirement savings are all widely known to be severely negatively affected by student debt. Add to that the contribution of this debt to New Zealand’s increasing ‘brain drain’ and you have a recipe for disaster,” said Liz Hawes, Co-President of the New Zealand Union of Students’ Associations (NZUSA).

Over 700,000 New Zealanders have been forced to borrow from the student loan scheme since its introduction in 1992, and total debt owed is now growing at an alarming rate of \$1billion a year.

“The millstone of debt burdening an entire generation is an indictment on a first-world country that values education and promotes a knowledge economy. But with commitment and leadership from government it is possible to turn the tide”, said Hawes.

NZUSA’s 2007 Student Income & Expenditure Survey identified significant increases in students’ living costs and debt, with average student debt rising 54 percent since the survey was last conducted in 2004, and now topping a disturbing \$28,838.

“Lack of access to allowances and high tuition fees are the key contributors in driving students to debt. It’s clear that action from government in these areas would significantly reduce debt for individuals and families, and have positive effects on the economy”, said Hawes.

Students’ associations around the country are holding protest events tomorrow to highlight the negative issues associated with high debt, and are joining NZUSA in calling for the introduction of a universal living allowance for all students.

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