



NEW ZEALAND UNION OF STUDENTS' ASSOCIATIONS (INC.)

TE RŌPŪ ĀKONGA O NGĀ WHARE WĀNANGA O AOTEAROA

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MEDIA RELEASE

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Government report highlights growing debt & lack of student allowances

Students are urging the government to take heed of the depressing statistics revealed in *Student Loans and Allowances: 2006*, the third report in recent weeks highlighting growing student debt and the lack of access to student allowances.

The report identified that in 2006 the number of students receiving an allowance and not having to rely on a student loan actually fell by 10%. In the same year, the student loan scheme saw the highest number of borrowers and the largest increase in loan borrowing, since 2001.

"The fact that the biggest proportion of borrowers dependent on debt was aged 20-25 years clearly shows that means-testing students on parental income until the age of 25 to determine allowance eligibility is deeply flawed and discriminatory," said Liz Hawes, Co-President of the New Zealand Union of Students' Associations.

"With this policy Labour is saying families can and will support their children until the age of 25. Students and their parents know this simply isn't possible – low incomes, high cost of living and extra expectations such as Kiwisaver leave many families with nothing at the end of the week", said Hawes.

This report is the latest in a number of publications highlighting students struggling financially. NZUSA's *2007 Student Income and Expenditure Survey* showed students' key concerns are financial, with over three quarters calling for a living allowance for all and 59 percent citing financial stress as affecting their study. The *Westpac Tertiary Banking 2008* study revealed a staggering 42% of students' primary worry heading into study this year was money.

"This report clearly shows current policy on student support is unsustainable. No amount of government spin can hide the fact that the current system doesn't work – Labour's approach of tweaking around the edges has been proven not to work in this latest report. Students and their families need positive action with genuine outcomes now", said Hawes.

NZUSA is calling for the introduction of a living allowance for all students to address the nation's growing problem of student debt.

Student allowances are financial grants to support learners in higher education, and currently around a third of students qualify for allowances, many of which are only partial. Student loans are a debt accrued through study that must be repaid compulsorily through PAYE with a low repayment threshold and a high repayment rate

ENDS.

For a copy of the report see: <http://www.stats.govt.nz/NR/rdonlyres/1CEE1B81-92DB-4031-88E0-A4D62659611C/0/studentloansandallowances2006hotp.pdf>

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