



NEW ZEALAND UNION OF STUDENTS' ASSOCIATIONS (INC.)

TE RŌPŪ ĀKONGA O NGĀ WĪJARE WĀNANGA O AOTEAROA

NZUSA Federation Office- Level 3, 354 Lambton Quay, PO Box 101-91, Wellington
Phone: 04 498 2500. Fax: 04 473 2391

Press Release

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Attention: Education and Political reporters

Students call on Prime Minister to reaffirm no interest on student loans

NZUSA is calling on the Government to reaffirm its commitment to interest free student loans, following comments by the Prime Minister this morning.

Commenting on TV3's Sunrise programme, Prime Minister John Key referred to current economic issues within the tertiary education sector, in particular to issues of how the student loan policy works and whether "improvements" can be made to it.

"Any move to 'improve' student loans by reintroducing interest would break an election promise to students, graduates, families and communities," says NZUSA co-President David Do.

Over 500,000 New Zealanders now have student loans and many have made long-term financial decisions on the basis of the current policy. Collectively, student debt is at \$10 billion. The Government has recognised student debt is a problem and so far has committed to easing the debt burden on students and graduates through policies such as voluntary bonding and a voluntary repayment bonus.

"'Improving' student loans by reintroducing interest will put back a serious burden on borrowers who are already struggling in these tough economic times," says NZUSA co-President Pene Delaney.

In May 2009, John Key confirmed National's position on TV1's Breakfast programme by stating the level of interest applied to student loans would remain at zero percent, after speculation had surfaced that National may reverse its 2008 campaign promise to maintain no interest on student loans.

"We call on the Prime Minister to again reaffirm his promises," concludes Delaney.

NZUSA is the national representative body for tertiary students and has been advocating on student issues since 1929.

ENDS

For more information contact:

NZUSA Co-President

David Do

027 486 8677

david.do@students.org.nz

NZUSA Co-President

Pene Delaney

027 486 8673

pene.delaney@students.org.nz