

**Media  
Release**

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Attention: Education and  
Political reporters  
For Immediate Release**

## **Student loan report warning sign of huge election issue**

“Student debt will be a massive issue for the country heading into election year,” said Sam Huggard, Co President of the New Zealand University Students Association (NZUSA), in response to the *Student Loan Scheme 2001 Annual Report* tabled in Parliament this afternoon.

“We acknowledge the moves made by the Labour-Alliance government to cut the costs of tertiary study, and this report shows that they are already having some effect. However fees need to come down and access to allowances needs to go up before a significant dent will be made in student debt,” said Huggard.

Sam Huggard said that the fact that overall uptake on student loans has not dramatically increased puts paid to the unsubstantiated assertions that students are taking up interest free loans in huge numbers to float the money on the share-market. “The Tertiary Education Advisory Commission and opposition parties will need to rethink their stance on the no interest while studying policy.”

“Students use the living component of the loan scheme because the government denies them a living allowance,” said Huggard. “A smaller group of students each year have access to allowances and we are calling on the government to immediately rectify this situation. They should start by inflation adjusting the parental income threshold on allowances in next year’s budget – which hasn’t been done since they were introduced in 1992”.

“Average borrowing has increased from 1999 to 2000 by over \$1,500. This was the last year that tertiary institutions were able to hike their fees up, before they were offered a fees stabilisation deal from the government. We are hoping that fees will start to come down through increased government funding.”

“2002 is the ten year anniversary of the loan scheme, and student debt will hit \$5 billion dollars. Political parties will need to make sure their election policy can make significant changes to the current scheme if they want the support of thousands of disgruntled students and their families.”

**ENDS**

**For further comment:**

Sam Huggard

(0274) 86 86 73; (04) 498 2500