



**Media
Release**

**19 October 2006
Attention: Education and
Political reporters
For Immediate Use**

\$12.7 Billion Dollar Student Debt Tragedy in 2015

The Student Loan Scheme Annual Report tabled in Parliament today highlights the ongoing impact of high and continually increasing tertiary education fees in New Zealand.

“The report shows an increase in per student borrowing over the last year which can be attributed to high and increasing student fees,” said Conor Roberts, Co-president of the New Zealand Union of Students’ Associations.

“Total amount borrowed has increased from \$7.5 billion in the 2004/05 financial year up to \$8.37 billion last year. At the same time fees increased on average by 4% across New Zealand’s public tertiary institutions.”

“In 2005 students collectively borrowed \$971 million from the student loan scheme, this policy has simply indebted a generation.”

“Labour’s no interest on loans policy is a positive move which has now kicked in and is helping students pay off their loans faster, however it is not good enough if fees are going to simply keep rising.”

“92% of borrowers used the scheme to pay for fees which just keep going up and up. Auckland University recently increased undergraduate fees by 3.7% and 9.8% increase for postgraduate fees.”

“We have also seen Canterbury University hike fees by 5%, Lincoln University hike fees by 4.98% and Massey University going for a 10% increase. These increases simply cannot continue as they force students further into debt.”

“Institutions are passing the cost of Government underfunding onto students, the per-student contribution from Government has dropped from where it was 15 years ago.”



“In Australian Universities, their Government contributes 46% of an institution’s funding, while in New Zealand the Government contributes only 38%. In addition, fees in Australia contribute only 19% of an institutions income, while in New Zealand fees contribute 31% of an institutions income.”

“The annual report also shows the median student loan balance climbing from \$10,404 in 2004/05 to \$10,652 in 2005/06. Low public funding of tertiary institutions and high fees are only going to see this amount increase.”

“The Government is projecting that in 2014/15 students will owe an astonishing \$12.7 billion, we need urgent action on fees and funding if we are going to avert this debt tragedy,” Mr Roberts concluded.

ENDS

For more information contact NZUSA Co-president Conor Roberts (027)4868677