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**EMBARGOED till
4 July 2008**

Attention: Education and Political
reporters

Universal student allowance – it's just smart banking

This 4th July student leaders are converging on Auckland city for a national conference on tertiary education issues and the launch of a fresh new campaign promoting independence from debt by increasing access to student support.

“As the general election draws nearer we're making it clear that our top priority is to strike a blow to the failed experiment that is the student loan scheme with the introduction of a universal student allowance,” said Paul Falloon, Co-President of the New Zealand Union of Students' Associations (NZUSA).

While 90 percent of students undertake paid work on top of a full study load, lack of government support sees many also forced to loans and credit cards to make ends meet. NZUSA's Income & Expenditure Survey 2007 revealed average loan debt held by students has increased 54 percent since the survey was last conducted in 2004, and is now a staggering \$28,838.

“While the causes are obvious, such high debt levels are deeply concerning and totally unsustainable. In comparison, a universal student allowance is just smart banking – an investment in the education of New Zealanders is a smart investment in the future of our nation”, said Falloon.

While negative social effects of student debt such as the declining birth rate and low levels of home ownership have been apparent for some time, the detrimental effect on the economy is now also becoming glaringly obvious. Chronic workforce shortages are appearing in many core industries and social service roles, with industry sector groups recognising the link between the high cost of undertaking education and such shortages.

“New Zealand is losing skilled citizens to the rest of the world. Our economy is suffering and the knowledge society is in jeopardy. With industry groups now joining the chorus of calls for action on making education more accessible, it's time for real solutions” said Falloon.

“We're advocating for a universal student allowance as an essential step in addressing the accumulation of unnecessary and debilitating debt that has already consigned one generation to a lifetime of financial insecurity – we mustn't allow this to happen to another”, said Falloon.

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