



NEW ZEALAND UNION OF STUDENTS' ASSOCIATIONS (INC.)

TE RŌPŪ ĀKONGA O NGĀ WHARE WĀNANGA O AOTEAROA

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Press Release

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Attention: Education and Political reporters

Increased allowances spending shows clear sign of need

Increases in student allowance recipients and spending are a welcome sign of continuing investment into student support, but are also a clear sign of ongoing need, say student leaders. The Government should better support students to help increase achievement in tertiary education.

Ministry of Education figures released yesterday show that the number of allowance recipients jumped by 26% between 2008 and 2009, compared to 5% each year between 2006 and 2008. The amount of government spending on allowances is the highest in almost 20 years.

Higher demand at tertiary institutions due to high unemployment is a major contributing factor. The welcomed reduction of the parental income testing age to 24 and increases to parental income thresholds in previous years, have also had the desired effect of increasing access to allowances.

"The economic climate has also hit hard on students and families. Lower parental incomes mean families are finding it more difficult to support students who may already be forced to live at home due to inadequate student support," says NZUSA Co-President David Do.

"The recession also meant that students have had difficulty finding summer work, which means they have fewer savings to offset academic and living costs for the rest of the year. This is leading to increased student poverty - many of our associations have reported higher demand for their foodbanks and financial hardship schemes," adds Do.

A 2008 Ministry of Education report, 'Educational achievements of student support recipients', found that those who only receive student allowances do better academically and are twice as likely to achieve successful completion of their studies than those with no financial support.

"The findings of this report come as no surprise. NZUSA has long advocated that adequate support in the form of student allowances is integral to academic success. Given this evidence, we would hope the Government views increased eligibility to allowances as a tool to increase student achievement," says NZUSA Co-President Pene Delaney.

"While more students are getting allowances, the vast majority are still excluded due to parental-income means-testing till the age of 24. More students are continuing to borrow simply to cover basic living costs, resulting in the vast amount of student debt that individual students bear, and the collective student debt of \$10 billion now held in the community. We hope the Government will further lower the unfair age threshold of parental means testing in the next Budget," concludes Delaney.

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

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