


debate



# Get informed

## The 2005 elections

### Part 2 of 2

*In a few weeks, New Zealanders will decide on the shape their government will take over the next three years. Over the semester break Bradford Heap contacted all the political parties listed on the elections website, asking each about their policies on student debt, and why Massey Albany students should vote for them.*

**1. What is your party's policy on student loans and debt, and does your party support universal student allowances?**

**2. In 200 words explain to the students of Massey University Albany why they should vote for your party.**

#### **Alliance**

Julie Fairey, Epsom Candidate

1. The Alliance has passionately backed free education, at all levels, since the party was established in the early 1990s. The Alliance supports a universal student allowance and the removal of tuition fees, which would mean students would no longer need to borrow just to live. In terms of the existing student loan debt, which is now becoming a big issue not just for students but also for those who have finished studying, the Alliance would write off the \$7 Billion plus that is owed.

2. The Alliance seeks to transform our society, not merely 'manage' it. We are challenging the status quo that says the "market will provide". The neo-liberal approach is not working – children are being raised in poverty, students have to go into debt to live, and people are being shut out of decision-making about our

key assets. Education and health are now about profit, not people, and workers and beneficiaries have been attacked, resulting in lower wages and benefits.

The Alliance believes that education is an investment our society should make in its citizens. Student debt should be written off, fees abolished, and all students should receive a living allowance, as a right.

The Alliance believes NZ should be a place where:

- Everyone has access to free education and healthcare
- Everyone can have a job and a decent living wage
- Those who can't work have a decent income
- We respect and value each other and our environment, and
- We fulfil our place as a society on the global stage, supporting peace and justice.

## Greens

Tim Hannah, Parliamentary Executive Secretary for Keith Locke

1. The Greens are committed to building a decent future. That's why we want to tackle student debt. Currently student debt is affecting fertility, home ownership, emigration, family life and distorting career and study choices.

We would introduce a universal student living allowance for all full time students at the level of the unemployment benefit, ensure adequate investment into tertiary institutions to both reduce tertiary fees and address staff salaries, and introduce a debt write-off scheme so that every year you stay in the country and work, a year's worth of your debt would be written off.

2. The Greens are Parliament's environmental conscience. We are the only party paying proper attention to the major environmental challenges facing us. From climate change, to the end of cheap oil, to ecological degradation, we are the only party looking Kiwis in the eye and telling the truth about our future. The good news is that the sooner we start tackling these problems, the easier it will be.

To secure our energy future and combat climate change, we need to change how we do business and how we live our lives. We need to start the transition now to a less carbon-intensive, more energy-efficient, and cleaner economy to make it as painless as possible.

The recent Millennium Ecosystem Assessment report, by hundreds of the world's most eminent scientists, reinforced the serious threats to the things we rely upon to survive and prosper – clean air and water, biodiversity, provision of food and fibres, a stable climate. Here at home, ninety-five per cent of our lowland rivers are not safe to swim in let alone drink. Do we want to be known as: NZ – 5 per cent pure?

The Greens have spent years developing strategies for tackling these issues and we are ready to put them into practice.

## United Future

Gina Woodfield, Chief Executive, United Future

### 1. Access to Allowances

- Ensure that students are given equal treatment to young people on the dole by progressively lowering the age at which they are means tested for a student allowance based on their own income, and not their parents, from 25 to 20.

- Assess the eligibility of married students under 25 for student allowances based on their own income, not their parents'.

- Assess the eligibility for student allowances of students under 25 who have supported themselves for two years based on their own income, not their parents'.

### Parental Income

- Calculate parental income for student allowances by deducting \$3000 for every other child in the family that is in study.

### Accommodation Support

- Ensure that students are fairly treated by increasing the accommodation supplement to match that received by young people on the dole.

### Interest Payments

- Recognise the impact of student loan debt on raising a family by freezing interest and writing off a portion of the debt of parents for two years after the birth of a child.

- Ensure that the student loan interest rate is set at a level which is fair and meets the costs of running the scheme, and retain the present policy of no interest while studying.

### Loan Write-Offs & Debt Reduction

- Keep graduates in New Zealand and minimise their loan debt by establishing scholarships and loan write-off schemes for those who are qualified in fields facing shortages (e.g. doctors, nurses, teachers, social workers), in return for a continuous period of work in New Zealand.

- Allow students to reduce their debt if they work for more than 100 hours as a volunteer for a registered charity (up to a maximum of \$500 per annum).

### Access to Emergency Unemployment

## Benefit

- Restore access to the Emergency Unemployment Benefit for students unable to find work over summer period.

## Scholarships

- Establish a system of scholarships between tertiary providers and the private sector.

## Voluntary Savings Scheme

- Introduce a voluntary long-term savings programme that would allow parents to save for their children's future tertiary education from birth, drawing on contributions from relatives, the child him/herself, and appropriate incentives from the government.

## Restrictions on Borrowing

- Restrict students from borrowing more in student loans for their fees if they have continually failed to pass their courses.

## Long-term Research

- Commission research into the long-term impact of student loan debt on the life choices of graduates.

2. Students should vote for United Future because United Future is committed to investing in students. Students are the only people in New Zealand that do not have a guaranteed income, forcing them to either rack up huge debts or rely on their families for support. The current student allowance system discriminates against students for trying to educate themselves, because eligibility is based on parental income. The same does not apply for young people on the dole. United Future will base access to allowances on students' income, not their parents, by progressively lowering the age of independence from 25 to 20. United Future will increase the accommodation supplement for students to match the amount received by those on the dole. We are also concerned about the impact of student loans on life choices, such as starting a family or buying a home. United Future will freeze student loan interest and write off a portion of caregivers' debt for two years when they have a child. United Future will also establish bonding schemes for graduates in fields facing skills shortages, allowing loan debt

to be written off in return for work in New Zealand. United Future will work with either a Labour led government or a National led government to achieve these goals, and will continue to provide the common sense, moderate alternative to the extremes in Government.

## ACT

Michael Collins, Assistant Co-Ordinator  
1. ACT has consistently recognised the need for a better way to help students cope with the debt they incur through the student loan scheme. ACT will cut taxes to allow graduates to pay off their debt faster. People come to university to get ahead in life. It makes no sense to punish them with high tax rates. A student loan is a debt that will stay with you for a period of time whereas high tax rates stay with you for your entire working life. ACT's tax policy would see someone earning the average wage with the average loan able to pay off their loan twice as fast and save over \$2000 in interest.

Universal student allowance:

ACT does not believe in a universal student allowance. We do believe an allowance scheme is necessary but this should be changed to be a merit based system. It is not fair that someone can get an allowance to sit around at the pub all day while others don't qualify for one despite putting in lots of hard work. Unfortunately USA schemes provide an incentive for going to university rather than emphasising the work that needs to go in. It would lead to either a glorified dole scheme or severe limits being placed on access to courses – neither of which is desirable.

2. ACT is the only classical liberal party in New Zealand. We say that individuals are the owners of their own lives and should be the ones who decide how to lead them. We stand for free enterprise and entrepreneurship and against big,

wasteful government.

The mood of the country at the moment is for a change. It is looking more and more likely that there will be a change of government at this election. You need to ask yourself what sort of change you want that to be. Do you want a racist, anti-immigration crackpot to be in control of the country holding both major parties to ransom? Or would you rather have freedom loving individuals who are socially tolerant and progressive such as ACT there as a staunch voice for individual liberty?

If you want meaningful change you need to give your party vote to ACT at this election.

ACT is the only centre-right party that has ruled out a coalition with any anti-immigration, racist or ultra conservative parties. If you believe it is important that New Zealand is tolerant and not xenophobic then you need to give your party vote to ACT at this election.

## Labour

Judy Lawley, Labour candidate for Helensville

1. Currently we do not support universal student allowances as it is not affordable. We consider the new policy of 'no interest on loans' to be the strategy that will benefit most people and give best value for the dollars we have available. There is no change to the current policy of 10% of all income above \$16,588 must be paid in loan repayments.

Interest applies if the borrower leaves New Zealand. Labour will continue to improve the policy as budget allow, by for instance lowering the age of students for whom parents' income is taken into account for student allowances. Labour says no interest on student loans, more student allowances, more bonded scholarships and capped tuition fees.

2. It is a huge concern that around 60% of young first time voters have not

enrolled. If Labour were to miss all these votes this could affect the election result and we run the danger of losing the ground we've made to make tertiary education a government priority.

Voters have two votes – party and candidate. A brief word here on each. Let's assume that after graduation most students wish to remain in New Zealand with a satisfying and well-paid job and a decent lifestyle. Over the last five years Labour has provided this country with stable and intelligent government that recognises the importance of tertiary education at all levels to ensure we raise our level of per capita productivity and compete successfully as an OECD nation in an increasingly global economy. So a vote for labour is a vote to keep education at the top of the political agenda. And it ensures that health stays up there too.

## New Zealand First

List MP Craig McNair

1. Consumer price index is the measurement of inflation. Charging student's interest is a necessity as it represents the real value of the money loaned. If one student takes out a loan for \$10,000 and another \$1,000, the student who took out \$10,000 is better off as far as the real amount is concerned. New Zealand First's aim is to reduce student debt. We would introduce a universal student allowance to reduce the need to borrow. We would charge interest while studying at the rate of CPI, and once study is completed charge CPI plus 2 per cent. This would incentivise repayment of the student loan. The current Labour proposal on interest free loans will create no urgency to pay off loans and reduce student debt. National got students into debt and now Labour is going to bury students in it.

Answers compiled by Brad Heap

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\*Students Save 20% after 2pm  
\*Students must show student ID.

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