

Submission on the Student Loan Scheme Amendment Bill (No. 2)

Submission from: Victoria University of Wellington Students' Association
(VUWSA)
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To: Secretariat/ Finance and Expenditure Select Committee
Select Committee Office
Parliament Buildings, Wellington 6011

Reserving the right to

speak to this submission: *We support the request made by the NZ Union of Students' Associations (NZUSA) to speak to their submission.*

Thank you for this democratic opportunity to have a say in shaping the laws that directly affect the present and future lives of all those who participate in tertiary education in New Zealand, and all those tens of thousands of New Zealanders who become debtors to the state (through the IRD) in relation to the heavily promoted Student Loan Scheme (SLS).

For the purposes of ensuring the voice of undergraduate, newly graduated and postgraduate students is heard, we are joining with other students and student representatives from campuses around the country in setting out some questions for the benefit of the committee that we believe are relevant, clear, concise and accurate. These questions all echo key points raised during the First Reading of the bill on 20 September 2012, and are intended to help inform a full and thorough Select Committee process.

QUESTIONS FOR THE COMMITTEE TO CONSIDER

- 1. Given repeated concerns raised about the efficacy of the overall SLS will the Committee consider the call made by Opposition MP Grant Robertson during the First Reading for “an overall review of the scheme”, including a review of the adequacy of student support in 2013?**
- 2. Clear communication about the nature of the SLS is extremely important and the role of the Select Committee in establishing correct information is vital. Is it correct to state, as Opposition MP David Clark has done, that the student loan collection system “works as a tax”?**
- 3. A large emphasis of this bill is to extend provisions for data-matching. Data-matching and data privacy concerns have become more and more acute in New Zealand due to a series of highly publicised lapses and data breaches. In the wake of the WINZ Kiosk debacle, NZUSA sought and received an immediate assurance from Studylink that student data was within the scope of a review of the MSD’s network security. Will the Select Committee be seeking a full briefing by officials and the Privacy Commissioner on the impact of any information sharing under this bill, and will information from that briefing in turn be shared to all interested or affected parties?**

4. On the bill's First Reading, Government MP Jonathan Young stated that a student should not come away "with indebtedness that does not give, at the same time, an opportunity to gain employment". **Given the impact of the indebtedness that is created by the SLS does the Committee consider that an opportunity to gain employment is a reasonable expectation for new graduates to have for the investment they make, and as part of the 'social contract' they enter into?**
5. We understand that Working for Families entitlements are calculated before student loan repayment rates (increased this year by 20%) and that resolving this unhelpful anomaly could be addressed through this bill. **Will the Select Committee be addressing this anomaly?**
6. In referring to the "integrity" of the SLS the Minister of Revenue, Hon. Peter Dunne, stated that this year's move to reduce the repayment holiday for borrowers who are going overseas (*subject to application to IRD*) from 36 months to 12 months is "instilling greater fairness and accountability". **Given this assertion has been challenged in Parliament in the context of the current bill, will the Select Committee be forming a view on whether this can be verified as a true statement?**
7. On the First Reading of this bill Opposition MP Tracey Martin queried why all domestic students or new graduates who remain in New Zealand and who have been hooked on to the SLS should not also be able to apply for a "repayment holiday". **Given that a period free from repayments is an automatic feature of the equivalent scheme in the UK, should not the Select Committee investigate treating all borrowers in the same way?**
8. For those borrowers who are overseas, Opposition MP Louisa Wall raised an important concern that very little is known about them to ensure that their targeting under this bill is as non-prejudicial and as free from discrimination as possible. To achieve that goal Ms Wall suggested a case by case analysis would be needed. **Can the Select Committee consider an investigation that will better profile the composition of the 91,000 borrowers living or travelling overseas?**

RECOMMENDATION

That in the exercise of its special powers the Select Committee seek guidance from officials as to which of these questions it can give a priority to in its findings, and provide answers for (on a question by question basis).