



**National Council of  
Women of New Zealand**

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Wahine O Aotearoa

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**Submission to the Social Services Select Committee  
on the Student Loan Scheme Amendment Bill**

The seven members of the Nucleus Group of the Education Standing Committee of the National Council of Women of New Zealand Inc. (NCWNZ) were pleased to receive a copy of the Student Loan Scheme Amendment Bill. The Education Standing Committee is one of the ten standing committees of the National Council of Women of New Zealand, an umbrella organisation representing 46 nationally organised societies, with 35 branches spread throughout the country to which women from 150 societies are affiliated.

At the National Executive meeting of NCWNZ held in Dunedin in September 1999 a resolution was passed urging that student loans be interest free until or unless the borrower is earning above the threshold for repayment. It follows therefore that NCWNZ is very pleased to support this Bill. Not only are students taking an approved course of study as a full-time, full year student eligible for a full interest write-off but also students whose income for the income year in which the write-off occurs is \$24,596 or less are also eligible for a full write-off of interest. The raising of the threshold at which write-off occurs is also a very pleasing aspect to NCWNZ in this proposed legislation.

For women, who have a student loan and who may have a broken employment record following completion of their studies due to family responsibilities, this Bill will mean reduction in anxiety about meeting repayment requirements and this pleases the NCWNZ. As the government considers the restructuring of the student loan scheme NCWNZ believes it should also consider student debt in the context of relationship property in the proposed Property Relationship Bill. How will student debt be treated in any relationship breakdown?

The details of the Bill however are complex in their presentation though this no doubt is necessary to ensure that the regulations are fully covered. Once the Bill becomes law it is to be hoped that the rules and regulations regarding student loans and interest charged on them and interest write-offs will be stated in plain English so that borrowers are fully aware of their responsibilities and rights before they take out a student loan. We found the flowchart on P 6 of the Explanatory Notes to be helpful in determining the conditions under which a student would be eligible for full interest write-off, entitled to base interest write-off or to base interest reduction according to specific new sections in the Bill but would recommend that a simple pamphlet which identifies the key points about which borrowers have to be informed be available.

In view of NCWNZ policy on this matter of interest on student loans we are pleased to support the principles contained within this Student Loan Scheme Amendment Bill.

Barbara Glenie  
National president

Dorothy Meyer  
Convener, Education Standing Committee

