



NATIONAL COUNCIL OF WOMEN OF NEW ZEALAND

TE KAUNIHERA WAHINE O AOTEAROA

10 October 2013

S13.14

Submission to the Finance and Expenditure Select Committee on the Student Loan Scheme Amendment Bill (No 3)

The National Council of Women of New Zealand (NCWNZ) is an umbrella organisation representing 47 organisations affiliated at national level and a further 41 organisations affiliated at branch level. It has 22 branches throughout the country attended by representatives of these organisations, as well as individual members. NCWNZ's function is to represent and promote the interests of New Zealand women through research, discussion and action. Due to the short time for consultation this submission has been prepared by the NCWNZ Education Standing Committee with input from the NCWNZ Economics Convener and the Parliamentary Watch Committee. It has been based on prior policy including resolutions passed at national conferences and previous submissions (listed below).

Introduction

NCWNZ has long advocated for the government to provide affordable (preferably free) and accessible tertiary education, which our members consider to be of benefit to our society, and for the government to adequately support tertiary students (Resolutions in section 5.11 *Study Grants* since 1898; Submissions S10.33, S07.02). The escalation of student indebtedness and the consequences of this for society and its impact on young people's decision making, especially of young women, have also been of concern over a number of years (S10.33, S09.32, S07.02, S03.81, S00.29). Bearing these principles in mind, NCWNZ have supported adjustments to the Student Loan Scheme that make collecting repayments more efficient and effective (S11.14, S10.33), which would support the intention of this Bill (although we are unable to provide information as to whether our members consider that the provisions of this Bill are likely to be effective).

The three areas that this submission wishes to bring to the Select Committee's attention are the lack of gender analysis, the use of punitive measures instead of repayment incentives, and privacy concerns around information sharing. These will be detailed with reference to the relevant clauses.

Comments on specific clauses

Clause 6: Repayment obligations of overseas-based borrowers

We note that no gender impact assessment appears to be available on this Bill, which is something we have asked for previously in order to secure women from disadvantage (Resolution 5.3.9.1, 2001). Such a gender impact assessment is particularly relevant to a Student Loan Scheme Amendment Bill, as the well-known gender pay equity gap affects women's ability to repay loans (S10.33, S09.32, S07.02). It would be useful for the Select Committee to consider the gender impact of the proposed amendments to the repayments obligations for overseas-based borrowers.

Clause 8: New offence created

In general, our members tend to support incentives to encourage repayments rather than punitive measures (S09.32, S09.15, S00.29). Clause 8 therefore represents an approach that our members in the past have had concerns with.

Clause 11: Sharing information

It has been noted in the Regulatory Impact Statement prepared by the Ministry of Education for the Student Support Package for Budget 2013 that there could be privacy concerns with sharing of the information, but appears to give no reason for the necessity of the proposal except perhaps for ease of administration. NCWNZ passed a resolution in 1972 that still stands as policy today, that called for legislation to protect the privacy of individuals in relation to computerised data (Resolution 2.7.1). Given that the stated objective of the Amendment Bill is to target "the small group of overseas-based borrowers who ... continue to ignore their responsibilities" (Hon Todd McClay, Minister of Revenue, Hansard Debates 27 August 2013), we see no reason that information on *all* borrowers, which includes those who are not in default, should be shared. This is an undeserved breach of their privacy rights, when they have been complying with repayment obligations.

Summary

Whereas NCWNZ policy generally is compatible with the intention of this Bill, apart from the punitive approach taken and the privacy concern regarding information sharing, the lack of gender impact assessment is a definite concern. Statistics show that women on average are economically disadvantaged compared to men, so any changes to the Student Loan Scheme are likely to affect women differently to men, and this needs to be analysed before changes are made.

LIST OF NCW SUBMISSIONS REFERRED TO:

- S11.14 Submission to the Finance and Expenditure Committee on the Student Loan Scheme Amendment Bill, October 2011.
- S10.33 Submission on the Student Loan Scheme Bill, December 2010
- S09.32 Submission to the Education and Science Committee on the Student Loan Scheme (Exemptions and Miscellaneous Provisions) Amendment Bill, October 2009.
- S09.15 Submission to the Education and Science Committee on the Student Loan Scheme (Repayment Bonus) Amendment Bill, June 2009.
- S07.02 Submission to the Education and Science Committee on the Student Loans Amendment Bill No 2, January 2007.
- S03.81 Submission to the Ministry of Education on the Discussion Paper: Student Support in New Zealand, November 2003.
- S00.29 Submission to the Education and Science Committee on Student Fees, Loans, Allowances and the Overall Resourcing of Tertiary Education, July 2000.