



New Zealand Nurses Organisation

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

to the Education and Science Select Committee

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EXECUTIVE SUMMARY

1. The New Zealand Nurses Organisation (NZNO) recommends that you
 - **note** that NZNO supports the amnesty for loan repayments
 - **note** that NZNO supports the holiday period for student loan repayments
 - **note** that NZNO supports clause 14 for the provision of accessing funds to study in undergraduate or post graduate programmes overseas
 - **note** that nurses who wish to undertake “return to nursing programmes” are unable to access student loan funding. This continues to be a financial barrier for nurses to return to the workforce.
 - **note** that the select committee consider amendments that make it possible for “Return to Practice” short courses to become eligible for student loans, particularly in areas where there are significant occupational shortages.
 - **note** that NZNO agrees with the submission of the New Zealand Council of Trade Unions.
 - **note** that NZNO wishes make an oral submission to the select committee.

ABOUT THE NEW ZEALAND NURSES ORGANISATION

2. The New Zealand Nurses Organisation (NZNO) is a Te Tiriti o Waitangi based organisation which represents 39,000 health workers. NZNO is the professional body of nurses and the leading nursing union in Aotearoa New Zealand. Our members include nurses, midwives, students, health care workers and other health professionals.
3. The NZNO vision is “Freed to care, Proud to nurse”. Our members enhance the health and wellbeing of all people of Aotearoa New Zealand through ethically based partnerships. Our members are united in the achievement of their professional and industrial aspirations.
4. NZNO represents 2825 student nurse members in New Zealand. These NZNO members are enrolled in undergraduate nursing programmes.
5. NZNO has consulted its National Student Unit in the preparation of this submission. The National Student Unit (NSU) of NZNO comprises of elected delegates from nursing education providers and they are enrolled in undergraduate nursing degrees.

NZNO POLICY AND POSITION ON THE ISSUE OF STUDENT DEBT

6. In 2003, the New Zealand Nurses Organisation and the New Zealand University Students Association researched the impact of student debt upon 376 nurses and midwives. Key themes in this research highlighted that 22% of the respondents considered leaving nursing because of their student loan, 72% reported that their student loan caused them stress and 78% said that their student debt made it more difficult to save for the future, such as for a house deposit or retirement savings. (NZNO & NZUSA, 2003, p 7). Copies of this research report are attached to this submission.
7. Respondents in the research believed that post graduate nursing education opportunities becomes less of an option when they are paying back debts related to their undergraduate education. As well, the ability to pay back student loans is impacting upon life choices such as having children due to the interest rate on the initial student loan (NZNO & NZUSA, 2003). Financial support often falls on the shoulders of family and friends in helping the student or graduate cope with their debts.
8. Report of the Safe Staffing / Healthy Workplaces Committee of Inquiry (2006) by NZNO and District Health Boards New Zealand (DHBNZ), stated that employers reported having difficulty recruiting and retaining nurses and midwives. Graduate nurses in New Zealand continue to have levels of debt that influence life choices and continue to leave New Zealand for overseas employment. Frequently new graduates seek employment overseas in order to command the higher salaries paid. It has been reported that 25% of new graduates head to Australia for this purpose.

STUDENT LOAN SCHEME AMENDMENT BILL (NO.2)

9. NZNO supports the provision of accessing funds to study in undergraduate education opportunities overseas.
10. NZNO supports the introduction of an amnesty period for loan repayments due to the reasons outlined in point 6.
11. NZNO supports the “holiday period” for student loan repayments outlined in the bill.
12. NZNO is an affiliate of the New Zealand Council of Trade Unions (CTU) and is in support of the CTU's submission on this bill.
13. NZNO believes that there continues to be issues for nurses to access funding for nursing education and this amendment has not looked at other issues that remain for nurses. The student loan criteria for length of courses eligible for a student loan

should include return to nursing programmes. The Nursing Council of New Zealand requires under the Health Practitioners Competence Assurance Act 2003, that all nurses who have been out of practice for greater than five years must do a “Return to nursing programme”. These programmes range from five to twelve weeks and participants are not eligible for a student loan. This cost of \$1500.00 has been identified as a barrier for many New Zealand nurses to return to the workforce.

14. Given the ageing population of nurses and worldwide nursing shortages, NZNO recommends that the committee look at amendments that would make it possible for “Return to Practice” vocational short courses to be eligible for student loans.
15. NZNO believes future initiatives for nurses and midwives to access student loans or allowances are needed as New Zealand is competing internationally to retain nursing graduates for the health workforce in New Zealand (Nursing Council of New Zealand, 2006).

CONCLUSION

NZNO welcomes a review of the student loans scheme. Currently there are a number of identified difficulties for student nurses related to loans. NZNO recommends that the other policy areas identified in this submission are addressed.

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Professional Nursing Advisor

REFERENCES

New Zealand Nurses Organisation and District Health Boards New Zealand (2006). Report of the Safe Staffing / Healthy Workplaces Committee of Inquiry. *Wellington Author.*

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