

Hon Steven Joyce
Minister for Tertiary Education, Skills and Employment
Parliament Buildings
Wellington 6160

Dear Minister

Concerns re Cessation of Government-Funded Student Allowances for Postgraduate Students.

Thank you for acknowledging and responding to our letter expressing concern at your proposal to remove student allowance eligibility for post graduate students on 1 January 2013.

In your letter you claimed that "there is a higher private benefit gained from postgraduate study" and that "people with a doctorate degree generally earn more than twice the national median income". The fact is that DHB salaries for psychologists never reach the \$139,000 average post-graduate salary cited. The average starting salary is between \$40,000 and \$60,000 and the top salaries offered in DHB's are approximately \$109,000, only reached after 18+ years of service, severely limiting clinical psychology students' ability to pay off student loans. Only those most dedicated to the profession make the decision to enter this field.

The issue for post graduate students is that the maximum amount that can be drawn down on a student loan is \$170 per week. Despite the fact that you state that post-graduate students should borrow what they need to complete their studies, this actually isn't allowed under the current loan scheme – \$170 is the maximum allowable payment per week. The students' argument is that living on \$170 per week is simply not possible and that the intensity of the postgraduate clinical psychology programme, which includes formal classes and practicum work, often alongside the research work required for the Masters/PhD or Doctoral degree, limits the opportunity of paid employment. To restrict post-graduate studies for those who are able to supplement this \$170 from private means or family support is to potentially lose the diversity that we need so badly if we are going to engage effectively across socioeconomic and cultural divides in NZ.

The final year of clinical psychology involves working as a psychologist four days a week, and writing case studies and attending classes one day a week as well as preparing for one of the country's most gruelling exam processes. Universities work hard to ensure that students are able to access paid internships, but this is becoming more difficult and the trainee pay is varied (from \$0 to approximately \$52,000 in the final year), and always less than that of an equivalent medical trainee. Students in their final year are not allowed to take on additional employment and some of our students will not be able to complete their final year as they will have no allowance and no ability to supplement the \$170 weekly loan. They will therefore remain unregistered and unable to work as psychologists, meaning that the country will fail to benefit from the five or more years of training already undertaken. These students will likely already have a large student loan to repay and yet will remain unqualified.

A brief survey of students in the Wellington region indicated a dropout rate of 30% by post graduate clinical psychology students and this at a time when advice is to increase the number of trained psychologists the current government is proposing strategies to reduce New Zealand's supply of qualified Clinical Psychologists

We sincerely hope that you will support our efforts to get the decision to stop provision of allowances to postgraduate students reversed, or at least modified to ensure that courses leading to qualifications recognized as of critical importance to the future development and wellbeing of New Zealand (such as Clinical Psychology) continue to be supported by provision of postgraduate allowances for students undertaking this study.

We look forward to hearing from you shortly.

Yours sincerely

Deb Moore
PRESIDENT

Cc Professor Des Gorman, Chair, Health Workforce New Zealand;
Maryan Street, Labour Spokesperson for Health
Grant Robertson, Labour Spokesperson for Tertiary Education