

3 August 2012

Hon Peter Dunne
Minister for Revenue and Associate Minister of Health
Parliament Buildings
Wellington 6160

Dear Minister

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

The NZ College of Clinical Psychologists (NZCCP) represents over 800 clinical psychologists and clinical psychology trainees in New Zealand. The NZCCP is deeply concerned about the recent announcement that postgraduate students will no longer receive Government-funded student allowances for their postgraduate training.

Clinical psychologists play a key role in many health (particularly mental health), Corrections, and social service agencies, and have specific assessment and treatment roles for which they are a primary specified provider in legislation. In the health sector, expanding access to psychological assessment and treatment (including "talking therapies") is a major target for mental health services. Psychologists are important in achieving this, both in supporting safe and effective practice by others, and to undertake advanced-level therapies with more complex clients. The value of psychologists to the health service has been recognized by fast growth of the DHB and PHO psychologist workforce in times of otherwise limited workforce growth. Stewart (2008) found that over a five-year period the psychological workforce in DHBs had grown by 26% in mental health services and a full 82% in physical health services. Particularly within physical health services, this growth is driven by perceived need, not historical precedent, as many of these services had not previously budgeted for psychologists.

Within the Department of Corrections psychologists play a significant role in reducing recidivism both through the provision of assessment and treatment to high risk offenders, including specialist treatment units for sexual and violent offenders, and through the provision of supervision and advice to other Correctional staff. They also make a significant contribution through the provision of research on reducing offending in New Zealand and to Parole Boards through the provision of risk assessments.

The College is concerned that the proposed reduction in access to funded student allowances for postgraduate students will adversely affect New Zealand's ability to develop the clinical psychological workforce to meet our future needs in the health, justice, and social service sectors. Following are the reasons for our concerns:

- **Extensive and Intensive Post-Graduate Training Required:** Professional training for registration as a Clinical Psychologist requires 6-8 years of university study involving completion of a Bachelor's degree (generally with Honors) and then a Masters Degree or PhD in conjunction with the Postgraduate Diploma of Clinical Psychology, or Doctorate in Clinical Psychology. The intensity of these programmes, which include formal classes and practicum work, often alongside the research work required for the Masters/PhD or Doctoral degree, limit the opportunity of paid employment. It is only in their final year that trainees receive any income, with the amount ranging from a few thousand dollars per annum to a moderate wage for four days a week of practicum work in clinical settings.
- **Compromised Ability to Meet Workforce Needs:** The proposed reduction of access to government funding for postgraduates will adversely affect the numbers of psychologists trained. Health Workforce New Zealand has specifically identified clinical psychologists as a key professional group to build workforce capacity.

A recent survey of the approximately 200 student members of the NZCCP indicated that many trainees expected to be severely affected by the proposed reduction in access to funding to the extent of many considering discontinuing their study, or at the very least not pursuing doctoral-level qualifications. Students reported that without student allowances many will end up with student loans of over \$80,000 and, given that the average starting salary for a graduate clinical psychologist within New Zealand is \$40,000 - \$60,000, students felt that entering the profession was likely to no longer be attractive. Students also stated that the higher level of student loans may lead to graduates moving overseas.

This would lead to fewer New Zealand-trained clinical psychologists. It would also adversely affect our ability to undertake high-quality local research necessary to optimize the function of our health and social services, and would reduce the amount of research of an internationally-respected standard that can be undertaken in New Zealand.

- **Reduced Representativeness of the Psychological Workforce:** Due to the powerful influence of cultural and sub-cultural context in effective psychological practice, the need to have a workforce that is reflective of the population it serves may be even more important in psychological practice than in other health professions. Ongoing efforts have been made by many of the training programmes to work towards a more representative psychological workforce over the past 10-15 years, with some, although not complete, success. Reduced access to post-graduate funding support is likely to further adversely impact on the ability of people from socially disadvantaged backgrounds to train in psychology, and therefore make it harder to achieve a representative workforce that can optimally match client needs.

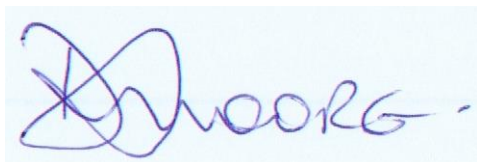
While it is recognized that the current economic situation requires careful consideration of many ways of reducing expenditure, we contend that the proposed reduction of student allowances to postgraduate students in courses such as clinical psychology will have long-term consequences and costs that will far outweigh the benefit of any short-term financial saving that is achieved. These long-term costs and consequences include an increased financial burden of disease, disability, and social dysfunction as well as the cost of lost wellbeing and quality of life due to untreated or sub-optimally treated clients.

We sincerely hope that the decision to stop provision of allowances to postgraduate students will be 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 have written to the Ministers of Health and Tertiary Education with regard to this issue, but would also like to bring our concerns to your attention given your role as Minister of Revenue, and your long term position as Associate Minister of Health. We would very much like to meet with you to discuss these developments, which we believe are deeply ill advised.

We look forward to hearing from you shortly.

Yours sincerely



Deb Moore
PRESIDENT