

## Overview of decisions sought

1. As an outcome of this meeting we seek decisions to:
  - a. finalise the 16 November CBC paper on the \$50 commitment and high level fees-free eligibility
  - b. in-principle preferences to guide development of a delivery model for fees-free, including on details of eligibility

## Finalising the CBC paper, including all decisions on the \$50 commitment

2. agree to implement the \$50 commitment for allowances by providing a \$50 increase to each current rate of payment, including:
  - a. no change to other parameters (income thresholds, abatement rates, minimum rates of payment), and as a result 3000 more people are expected to be eligible for allowances after the change, representing around \$3 million of the average \$153 million per annum cost of the \$50 increase (refer paras 7-11). Y/N
  - b. EITHER base rates for both individuals and couples increase by \$50 per week Y/N
  - c. OR rates for individuals increase by \$50 per week and rates for partnered students increase by (refer para 20):
    - i. EITHER \$50 per couple (the 'half couple' rate for 2 students in a couple is split between the two students, saving around \$0.4m pa), Y/N
    - ii. OR \$50 per person in a couple (rates for couples are paid on a \$50 per-person basis, costing an additional around \$5m pa) Y/N
3. Note that MSD has advised that changing parameters other than rates of student loan and allowance would increase risks of implementation for 1 January 2018
4. Note the high-level fees-free eligibility decisions in the Cabinet paper have been focussed on decisions that are neutral to the design of a delivery model
5. Provide feedback on the draft Cabinet paper in general FEEDBACK

## Progress on a delivery model for fees-free and in-principle preferences to guide development of delivery model

6. Note the verbal briefing from agencies on developing a delivery model
7. Note the agency advice that detailed decisions on eligibility should be taken once a delivery model is developed further, to enable decisions to balance eligibility, simplicity, feasibility, cost, and student experience, particularly in the first year of implementation
8. Provide feedback on your in-principle preferences for the following issues, subject to design of a delivery model:
9. *A prior study tolerance of up to 0.5 EFTS*
  - a. Note some new students have undertaken a minimal amount of prior study, for example part-

time or short industry training courses

- b. Note 14,500 students in 2016 had studied less than 0.5 EFTS before, and almost 9000 had studied less than 0.3 EFTS (compared to 61,000 with no prior study)
- c. Indicate your views on a prior study limit of around 0.25 EFTS, subject to design decisions

*10. Part-time students studying less than 0.25 EFTS*

- a. Note you asked about numbers of students undertaking less than the study load required to access student loans.
- b. Note that a minimum part-time load would ensure students do not lose eligibility due to a small study load, and provide consistency with existing funding
- c. Indicate your views on a minimum part-time load of approximately 0.25 EFTS

*11. Eligibility for Australians (and, potentially, permanent residents studying in New Zealand)*

- a. Note 985 Australians started study in NZ in 2016
- b. Note tuition subsidies are available to Australians, and student financial support is available for Australians and permanent residents after 3 years of residence in NZ

c.

- d. Indicate whether officials should investigate:

- |   |     |
|---|-----|
| i. Eligibility for all Australians (as for tuition subsidies)   | Y/N |
| ii. Eligibility for Australians and permanent residents after 3 years of residence (as for student financial support) | Y/N |
| iii. Removing eligibility for Australians (and/or permanent residents)  | Y/N |

*12. The relationship between fees-free and existing fee scholarships*

- a. Note a range of organisations grant scholarships, and some scholarships are specifically for fees
- b. Note our initial engagement indicates that scholarship providers, in particular tertiary providers, will adjust fee scholarships to take account of fees-free, but that full adjustment may take time
- c. Confirm that communication and engagement with scholarship providers will be the main means of managing the relationship between fees-free provision and existing scholarships, at least for 2018 Y/N

*13. Maximum limits: study load*

- a. Note that we have discussed setting maximums for study load under the fees-free study.
- b. Note that 82% of new students study 1 EFTS or less; and 96% less than 1.2 EFTS
- c. Note a tolerance above 1 EFTS, or a higher limit, would allow for students to adjust study during the year and reduce compliance (compared to a 1 EFTS limit)

d. Note a limit may not be feasible for 2018

e. Indicate whether you prefer to set a limit, if feasible

LIMIT/NO

*14. Maximum limits: fee value*

a. Note that we have discussed setting maximums for fees payable under the fees-free study.

b. Note that a maximum fee value could use mechanisms developed for high-cost aviation study

c. Note there are mechanisms to set a limit on fees payable without consulting on regulating fees charged

d. Indicate whether you prefer to set a limit on fees payable, if feasible

LIMIT/NO