

Thank you for your email of 13 December 2017 to the Ministry of Education requesting the following information:

- *A copy of all correspondence received by the Ministry of Education from the New Zealand tertiary sector regarding the introduction of one year of fees-free tertiary education.*

Your request has been considered under the Official Information Act 1982 (the Act).

I am providing you with eleven documents received by the Ministry of Education from the New Zealand tertiary sector regarding the introduction of one year fees-free tertiary education. My decision on the information released in the individual documents is set out in the table attached to this response.

In releasing these documents I have withheld information under the following sections of the Act:

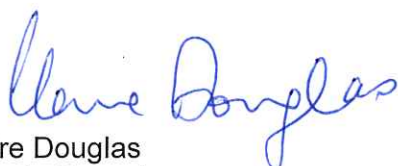
- 9(2)(a), to protect the privacy of natural persons; and
- 9(2)(ba)(i), to protect information which is subject to an obligation of confidence where the making available of the information would be likely to prejudice the supply of similar information.

Where information does not relate to correspondence received by the Ministry of Education from the New Zealand tertiary sector regarding the introduction of one year of fees-free tertiary education it has been removed as outside the scope of this request.

Please note, the Ministry now proactively publishes OIA responses on our website. As such, we may publish this response on our website after five working days. Your name and contact details will be removed.

Thank you again for your email. You have the right to ask an Ombudsman to review this decision. You can do this by writing to info@ombudsman.parliament.nz or Office of the Ombudsman, PO Box 10152, Wellington 6143.

Yours sincerely



Claire Douglas
Deputy Secretary
Graduate Achievement, Vocations and Careers

#	Date	Title	Decision on this request
1	25-Oct-17	RE University Planning Directors	Information has been withheld under section 9(2)(a) of the Act.
2	26-Oct-17	RE Holding Statement For Student Queries Regarding Fees Free First Year	Information has been withheld under section 9(2)(a) of the Act. Information not relating to the request have been deemed out of scope of the request
3	27-Oct-17	Fwd Free fees confirmed for 2018	Release in full
4	29-Oct-17	Fees free (Ff)	Release in full
5	2-Nov-17	2018 fees policy and scholarships	Information has been withheld under sections 9(2)(a), 9(2)(ba)(i) and 9(2)(g)(i) of the Act.
6	3-Nov-17	RE: Fees free policy	Information has been withheld under section 9(2)(a) of the Act.
7	3-Nov-17	FYI Unofficially	Release in full
8	9-Nov-17	Letter from Universities New Zealand - re fees free policy implementation	Release in full
9	13-Nov-17	Fees Free – Letter to Minister Hipkins for Universities NZ	Release in full
10	17-Nov-17	RE Letter from Universities New Zealand - re fees free policy implementation	Information has been withheld under section 9(2)(a) of the Act. Information not relating to the request have been deemed out of scope of the request
11	27-Nov-17	FW Fees-free tertiary study	Information has been withheld under section 9(2)(a) of the Act.

From: Jonathan Hughes <jonathan.hughes@universitiesnz.ac.nz>
Sent: Wednesday, 25 October 2017 2:59 p.m.
To: John MacCormick
Cc: Andy Jackson
Subject: RE: University Planning Directors

Hello again,

After David Thomson visited you he called in on us and as a result we have had a rethink about the meeting to be held on the 1st. We would still like to see you, Andy and Shona in the morning, at 10.30 if possible, but the meeting will not just be the Planning Directors but also our Committee on Student Administration and Academic Services, who will also be involved in administering the free-fees policy. We will also invite Chris Whelan to join us for the session. (Our session with the TEC will be held in the afternoon, when both committees will go their own way.)

All the best,

Jonathan

From: John MacCormick [REDACTED] s 9(2)(a) OIA
Sent: Tuesday, 24 October 2017 4:45 PM
To: Jonathan Hughes <jonathan.hughes@universitiesnz.ac.nz>
Cc: Andy Jackson [REDACTED] s 9(2)(a) OIA
Subject: RE: University Planning Directors

No problems Jonathan!

John MacCormick | Chief Policy Analyst | Tertiary Education
 [REDACTED] s 9(2)(a) OIA

From: Jonathan Hughes [<mailto:jonathan.hughes@universitiesnz.ac.nz>]
Sent: Tuesday, 24 October 2017 4:04 p.m.
To: John MacCormick [REDACTED] s 9(2)(a) OIA
Subject: RE: University Planning Directors

Thanks, John. Yes, Andy would be a good idea. Tony Scott is away until Thursday so I won't be able to set a definite time until the end of the week; I hope that's ok and that you and Andy have flexible diaries.

Jonathan

From: John MacCormick [REDACTED] s 9(2)(a) OIA
Sent: Tuesday, 24 October 2017 4:01 PM
To: Jonathan Hughes <jonathan.hughes@universitiesnz.ac.nz>
Subject: RE: University Planning Directors

Hi Jonathan

Thanks for the invitation.

Yes we'd like to take a bit of your time – I'll ask Andy Jackson to come.

Lots of uncertainty about this at present – and fast moving advice will be needed if Govt wishes to make something happen for 1 jan.

I'm hoping to see David tomorrow briefly as he passes through Wgtn on his way to Sydney.

From: Jonathan Hughes [<mailto:jonathan.hughes@universitiesnz.ac.nz>]

Sent: Tuesday, 24 October 2017 2:34 p.m.

To: John MacCormick [REDACTED] s 9(2)(a) OIA

Subject: University Planning Directors

Hi John,

The UNZ Committee of Planning Directors (the chair if David Thomson from Otago) will be holding its next meeting next Wednesday morning (1 November) and we wondered if you would be free for half an hour or so to talk about the free fees policy. I realise that this is unknown territory for us all and that a lot has still to be decided but any thoughts you had on the matter would be very much appreciated by the committee. We are fairly flexible as towards the exact time; as well as you we will be inviting a couple of people from the TEC, Dafydd Davies from the universities group and Tony Scott to talk about performance linked funding, but no times have as yet been set. If you have preference please let me know.

All the best,

Jonathan

Jonathan Hughes

Deputy Executive Director &

Portfolio Manager - Research and Innovation

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From: David Thomson <david.thomson@otago.ac.nz>
Sent: Thursday, 26 October 2017 9:23 a.m.
To: Shona Ramsay; John MacCormick
Cc: Julie Keenan
Subject: RE: Holding Statement For Student Queries Regarding Fees Free First Year

Hi Shona

I concur with Pamela re MSD route please if it is possible!

Kind regards

David

From: Shona Ramsay [REDACTED] s 9(2)(a) OIA
Sent: Wednesday, 25 October 2017 5:09 PM
To: David Thomson <david.thomson@otago.ac.nz>; John MacCormick [REDACTED] s 9(2)(a) OIA
Cc: Julie Keenan [REDACTED] s 9(2)(a) OIA
Subject: RE: Holding Statement For Student Queries Regarding Fees Free First Year

Hi guys

As suggested, I talked to Pam Thorburn.

She had to enquire as she initially thought it was tuition only. All three fees collected in the SDR – tuition, compulsory and Maxima exempt (student services etc) are returned to MSD (as one amount). So students borrow for their total fees.

By the way – Pam says MSD route please – if we have any sway.

Cheers
Shona

Shona Ramsay | Senior Manager | Tertiary Sector Performance Analysis
[REDACTED] s 9(2)(a) OIA

out of scope

[REDACTED]

From: Chris Whelan <c.whelan@xtra.co.nz>
Sent: Friday, 27 October 2017 3:02 p.m.
To: Andy Jackson; John MacCormick
Subject: Fwd: Free fees confirmed for 2018

Hi Andy & John, I don't know if there's anything new here, but the following questions have come through from the University of Canterbury for eventual clarification by the Minister.

Chris

Sent from my iPad

Begin forwarded message:

From: Rod Carr <rod.carr@canterbury.ac.nz>

Chris,

I assume you are able to have some input into the deliberations about determination of eligibility – who and for what. A few questions that are coming up:

1. First year...is that first year tertiary in NZ or anywhere in the world? Would a person who got an overseas qualification, became a NZ PR or citizen, be eligible for first year free – might be a one year taught masters for example?
2. Is any engagement in tertiary a bar to eligibility – STAR courses, part time study, courses enrolled and withdrawn before or after last date for withdraw? What about courses incomplete or failed?
3. Are Australian citizens eligible?
4. There is constant reference to “young” so is eligibility restricted by age and if so to what age group?
5. What exactly is covered – tuition fees (obviously) but what about compulsory student services levies, field work fees?
6. Do you get a free first year (EFT) even if part time spread over more than one year or is it one calendar year?
7. What if you take over load in a first year – up to 1.5 EFTs, is that tuition free?
8. Summer courses start mid January – will we know who is eligible for what by then?
9. Some students who failed to get UE do catch up courses (post compulsory) in the summer to gain UE and enrol – are they eligible for free tuition?
10. Who will take the risk of enrolling students who subsequently discover or are deemed to be in eligible as a result of rule changes or subsequent interpretations

that define boundary conditions for eligibility? (The Crown, the institutions, the students?)

Rather than each University enter a dialog, I assume it is best if you develop a central Q and A, update it and distribute to us as we know further questions and hopefully some answers and use it in discussions with agencies?

out of scope

Rod

Released under the Official Information Act 1982

From: Tony Gray <Tony.Gray@ara.ac.nz>
Sent: Sunday, 29 October 2017 6:43 p.m.
To: John MacCormick
Subject: Fees free (Ff)

Kia ora John

Not sure how much the following will help – happy to discuss further!

I'd argue for a reimbursement model for student fees that TEO's would have ordinarily collected; this approach would be almost impossible to 'game' because all of the relevant information is in each TEO's SDR; if thought necessary there is no reason why a formal audit process couldn't take place to ensure, appropriate practice!!!

The eligibility criteria will be really, really important and applying the right filters will be key (you know this)! I'd suggest:

- if loans and allowances have not been previously accessed, then the student is eligible for Ff
- if the student does not already have a two/three year tertiary qualification, (above Level 4 as we want to be encouraging upskilling – good Government opportunity for gains in productivity) , from any TEO, then they should be eligible for Ff. Ultimately a student who has not previously accessed government support and who holds no tertiary qualification or one below Level 4 would get Ff.

Look forward to seeing you and Andy on the 9/11

Tony



Tony Gray

Chief Executive

P: +64 3 940 8015 | M: [REDACTED] | E: tony.gray@ara.ac.nz

City Campus, Christchurch

PO Box 540, Christchurch 8140, New Zealand

ara.ac.nz



Released under the Official Information Act 1982

From: John MacCormick [REDACTED] s 9(2)(a) OIA
Sent: Thursday, 2 November 2017 12:25 p.m.
To: David Thomson
Subject: RE: 2018 fees policy and scholarships

Thanks David

We're handling some Q's about whether to design the fees free eligibility rules to fit around around scholarships. Eg – where students have a fee scholarship, could they opt to defer their year of fees free. Our strong preference is to keep fees free clean and simple as possible – use it on your first X EFTS of study. Scholarships are too varied to work around, and its far easier for schols to adapt around the fees free policy than to do it the other way round.

I'm also asking Studylink to make sure they have clear guidance for students and providers about what kinds of scholarships/stipends/etc are considered as income for student support eligibility.

JM

John MacCormick | Chief Policy Analyst | Tertiary Education

s 9(2)(a) OIA

From: David Thomson [<mailto:david.thomson@otago.ac.nz>]

Sent: Thursday, 2 November 2017 6:28 a.m.

To: John MacCormick s 9(2)(a) OIA

Cc: David Thomson <david.thomson@otago.ac.nz>

Subject: 2018 fees policy and scholarships

Hi John

Some initial context on the impact of fees-free on entrance scholarships for 2018. This is Otago-specific, but much of what I say can probably be generalised:

- The vast majority of our entrance scholarships are provided under regulations that pre-date the announcement of the new government's fees-free policy. The dollar values were decided before fees-free was announced, and the scholarships were advertised, applied for, offered, and in most cases accepted (or declined) before the incoming government was decided. For these reasons we are somewhat constrained in how we might change things for 2018;
- A minority of entrance scholarship recipients will probably not qualify for a fees-free first year (e.g. our entrance scholarships are for the first year of undergraduate degree study, so someone with a lower level Polytechnic qualification is eligible. So too are some students such as international students who have completed secondary study in NZ);
- Where scholarships are donor-funded they sometimes have purposes or intent that limit what we can do with them (very few Otago entrance scholarship are constrained in this way).
- A small number of our entrance scholarships are higher-value, and are provided as multi-year scholarships. The majority, though, are single year, and have a value in the \$2500-\$10,000 range (most \$6K or less).

Our general regulations for almost all single-year entrance scholarships state that the scholarship must in the first instance be used to cover the cost of accommodation in a University Residential College and/or tuition fees, and that any remaining balance is paid to the recipient as a (monthly) stipend. We focus on using the scholarship to cover residential college accommodation because our colleges provided pastoral and academic support that leads to superior academic outcomes and fees (prior to fees-free) for obvious reasons. In past years, very little has been left over to pay out as a stipend.

For the vast majority of our recipients, the value of their scholarship is less than the cost of their residential college accommodation, so fees-free will simply result in that scholarship being applied entirely to covering some of their college costs.

For a minority – mainly local kids who are staying at home – the scholarship would in the past have been largely or whole exhausted covering their first year fees. Where this is no longer a requirement due to fees-free, the terms and conditions under which we have promoted a provided these scholarships for 2018 obliges us to pay recipients a monthly stipend to support their living costs should they wish us to, if they qualify for fees-free. We think we have roughly 80 entrance scholarship recipients of this type for 2018. However, our intention is to offer them an alternative option in light of fees-free, which is to have their scholarship in whole or part deferred so it can be applied against their fees in second year (i.e. 2019). We think this will be attractive to some, but that will depend on circumstances. We won't do this until more of the detail around fees-free is confirmed, as students can't make an informed choice on this without that detail!

The situation with our higher value multi-year entrance scholarships is a little different, but as I say, that's a minority of recipients.

Fees-free will doubtless prompt some changes to entrance scholarship regulations for future years. We are already thinking about the regulation changes needed to close the 'monthly stipend loophole' for 2019. There will certainly be further changes when more than one year of fees-free is activated. Beyond that, it's a bit early to say what might change.

It's worth remembering that while universities (either directly or via donor funds) provide the vast majority of entrance scholarships, they are not the only providers. Quite a few charitable organisations and some companies provide scholarships – usually of a lower value – that operate independently of us. My feeling is that some of these are more directly tied to covering the cost of fees.

Cheers

David

From: John MacCormick [REDACTED] s 9(2)(a) OIA
Sent: Wednesday, 1 November 2017 6:42 PM
To: David Thomson <david.thomson@otago.ac.nz>
Subject: Re: 2018 fees policy

Thanks David.

Yes Jonathan has been in touch with the same messages.

One more thing that would help - can you pull together a summary of what the unis are doing with scholarships for 18? I know most are paid as cash, but we're thinking thru what changes may happen longer term - like whether schols may shift out to later years or switch to accommodation etc.

J

Sent from my iPhone

On 1/11/2017, at 6:32 PM, David Thomson <david.thomson@otago.ac.nz> wrote:

Hi John

Thanks for the update. We really appreciate your giving us time today when you are flat out, and doubtless pretty tired.

Jonathan Hughes may have let you know already that University Planning Directors and Student Administration / Services Directors have approved a sub group comprising Pat Sandbook (Massey), Pam Thorburn (Victoria) and Pamela Moss (Auckland) and myself that can operate as a rapid response group for you when you need quick turn-around feedback from a universities perspective.

When the Minister is ready to make a public statement, it would be really helpful if universities (and UNZ) could get that in advance (at least to the same embargo – if any - that the media gets). This will ensure that we can sort our messaging – both to students and to media if needed – in advance so it is aligned, rather than get caught on the hoof. Otago has had TVNZ asking us already, and we have been non-committal.

After you left there was some discussion of the merits of the option of running fees-free through the loans scheme with subsequent reimbursement against a student's loan account (or maybe a provisional credit at the start), versus the bulk invoice from institutions with loans agreements ready to go in the background option.

As you will have gathered, from a University perspective we are strongly in favour of the first of these options. We will send you a clear articulation of the reasons for this within the next 24 hours!

Kind regards

David Thomson

From: John MacCormick [REDACTED] s 9(2)(a) OIA
Sent: Wednesday, 1 November 2017 2:16 PM
To: David Thomson <david.thomson@otago.ac.nz>
Subject: 2018 fees policy

Hi David

Hope your assembled long table got something useful out of this morning.

It was good to hear the points raised.

Some we are trying to tackle already.

Others we'll take back and think harder about, eg:

- Ensuring early effective comms to schools and career advisers etc (for students' sake as well as to ease the info queries to universities)
- Options for a fast/live clearing house or call centre for providers to help resolve eligibility questions.

Some, like students making enrolment decisions about summer school today, we can't do much about other than press on with best prudent speed.

TEC is in the process of gearing up a formal consultation process – which you'll no doubt hear about. But we can keep in touch on the sidelines too.

JM

From: Jonathan Hughes <jonathan.hughes@universitiesnz.ac.nz>
Sent: Friday, 3 November 2017 10:27 a.m.
To: John MacCormick
Cc: Julie Keenan; Alex Deliefde (TEC); Andy Jackson
Subject: RE: Fees free policy
Attachments: Fees Free Options Uni Comments on Process Final.docx

Hi John,

Attached please find a short note with comments on the two main options for implementing the fees free policy. It was drawn up by the working group set up following our meeting on Wednesday and reflects the thoughts of those in the universities involved in implementing the policy.

All the best,

Jonathan

Jonathan Hughes

Deputy Executive Director &
 Portfolio Manager - Research and Innovation
 Universities New Zealand - Te Pōkai Tara
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From: John MacCormick [REDACTED] s 9(2)(a) OIA
Sent: Wednesday, 1 November 2017 5:24 PM
To: Jonathan Hughes <jonathan.hughes@universitiesnz.ac.nz> s 9(2)(a) OIA
Cc: Julie Keenan [REDACTED]; Alex de Liefde [REDACTED]; Andy Jackson
 [REDACTED] s 9(2)(a) OIA s 9(2)(a) OIA
Subject: RE: Fees free policy

Jonathan, I'll be out of the office Friday and through to Wed next week.
 Please can you copy that note on implementation options to

- Julie Keenan – Policy Director and project lead
- Andy Jackson – Group Manager tertiary
- Alex de Liefde - Implementation Design, Operations Directorate, TEC

John MacCormick | Chief Policy Analyst | Tertiary Education
 [REDACTED] s 9(2)(a) OIA

From: John MacCormick
Sent: Wednesday, 1 November 2017 5:10 p.m.
To: 'Jonathan Hughes' <jonathan.hughes@universitiesnz.ac.nz> s 9(2)(a) OIA
Cc: Julie Keenan [REDACTED]; 'Alex de Liefde' [REDACTED]; Andy Jackson
 [REDACTED] s 9(2)(a) OIA

Subject: RE: Fees free policy

Hi Jonathan

Thanks for the time this morning, and for the nominated contacts.

TEC is likely to set up a formal consultation/contact group for providers, and I've passed this list on via Alex, who came with us this morning.

I'm not expecting that the first statements from Ministers will touch on the delivery mechanism. If we have the opportunity we'll do what we can to inform/consult our sector contacts before firm decisions are taken and announced. But you'll appreciate we're in fast moving times, and the ideal isn't always possible.

Kind regards

JM

John MacCormick | Chief Policy Analyst | Tertiary Education

[REDACTED] s 9(2)(a) OIA

From: Jonathan Hughes [<mailto:jonathan.hughes@universitiesnz.ac.nz>]

Sent: Wednesday, 1 November 2017 4:07 p.m.

To: John MacCormick [REDACTED] s 9(2)(a) OIA

Subject: Fees free policy

Hi John,

Thanks for giving us an update on where things are up to with this policy. While things will not be easy I'm sure there is a will to make this work. At the meeting we offered to have a group that you could bounce ideas off. After you left, the meeting decided that the following would be the most appropriate people for you to work with:

David Thomson david.thomson@otago.ac.nz

Pamela Moss p.moss@auckland.ac.nz

Pam Thorburn pam.thorburn@vuw.ac.nz

Pat Sandbrook p.a.sandbrook@massey.ac.nz

The group asked that if the Minister is to put out a statement that touches on the administration of the arrangement could they see an embargoed copy, to ensure that what is said is possible. (Or be consulted on the relevant wording.)

The group is preparing a short note on the two payment options you mentioned; it should be with you on Friday.

All the best,

Jonathan

Jonathan Hughes

Deputy Executive Director &

Portfolio Manager - Research and Innovation

Universities New Zealand - Te Pūkai Tara

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Fees-free policy: comments from UNZ working group representing the Committee on Student Administration and Academic Services and the Committee of Planning Directors

The Universities welcome the opportunity to provide comment on the options for implementing “Free Fees” in January 2018.

The two process options under consideration for implementing fees-free in 2018 appear to be as follows:

Option 1: running fees-free through the loans scheme with subsequent reimbursement against a student’s loan account (or maybe a provisional credit).

Option 2: Universities invoice Government agency for fees and don’t charge students, with loans agreement ready to go in the background option.

The Universities’ preferred implementation method is Option 1: Student Loans scheme. If this option does not fit other parts of the tertiary sector then Option 1 should be used at least for SAC-funded provision.

Advantages:

- One central system for all SAC funded provision, rather than requiring system and process changes by a large number of providers in a very short time frame (enrolments for 2018 are already open; legislation or regulations are not yet in place)
- University and StudyLink application processes already in place would be unaffected; fee payment processes from StudyLink to TEOs are already in place and would continue. Cash flow vital to provider viability would be secured
- StudyLink has well established communication channels with students that would be readily able to accommodate this requirement
- University and StudyLink routine processes already manage course and programme changes and would be best suited to manage the arrangements to cover the courses eligible for free fees
- Government agencies have a view of the student’s entire tertiary record (and secondary record) and therefore of their eligibility. TEOs cannot verify prior tertiary participation
- Definitions of terms such as year, workload, recognised qualification, success criteria for continuation, etc., could be applied consistently with those used for loans and allowances
- A far better student experience through a single known and trusted mechanism
- Less reputational risk to the Government overall and the less risk of compromise to the credibility of the new policy
- Ability to better develop and manage a consistent communication strategy with key messages being consistent for students, parents and providers.

Issues:

- Depending on eligibility criteria for free fees, students not currently eligible to apply for a loan may have to be enabled to make a loan application
- A different mechanism may be more suitable to other forms of tertiary provision such as workplace training that are not SAC funded.
- We understand that legislative change would be needed to enable the fees-free component of loans to be written off, however we also note such change would not be required

immediately. It could occur in early or even mid-2018 without disadvantaging either students or institutions

- There may be impact for IRD's transformation programme but change would be more effectively managed through a single well-founded programme framework than through a myriad of hasty projects across the entire sector.

The universities do not support Option 2 due to its relative complexity, cost and risk to implement.

Issues with Option 2:

- Inconsistent and uncertain student experience across institutions would undermine the credibility of this first phase of a key government policy initiative and lead to errors that would have high transaction costs to both institutions and Government agencies.
- Diffusion and added complexity in communicating new policy and processes to students, and in managing downstream communications issues
- Individual provider institutions don't have visibility of prior tertiary participation. Though providers could provisionally accept student self-declaration, additional audit or verification processes would need to be designed, applied and resourced. Potential liability for revenue loss or disruption to cash flow would be an unreasonable imposition on providers
- Massive manual overrides and/or finance system/student management system changes would be needed for providers to 'zero rate' fees for the 15,000 to 20,000 students who we believe will meet the criteria. Individual change programmes would have to be activated by each University to very tight timeframes, and potentially with software vendor and consultancy costs incurred to make the changes. There is very little confidence that technical changes could be accomplished given the practicalities of such projects
- New tracking, analysis and reporting would be required by each provider to reconcile and invoice the government agency for multiple cycles of enrolment, course change and withdrawal
- In addition to normal peak processing cycles, three of the eight Universities (Canterbury, Massey, Waikato) currently heavily committed to student management system replacement projects and do not have the resource capacity to re-configure these in the time available
- Manual processes would also be needed to ascertain if applicants have a loan agreement in place as a backstop
- A manual process would be needed for the notification from the relevant government agency to the university confirming government's validation of the eligibility of a student for fees free
- Where a student who applies for fees-free is later found not to qualify, it may well be relatively simple to activate a loan. But if the student concerned does not qualify for a loan the university would not wish to pursue the fee debt, bear the cost of this recovery, or risk that it might not be recovered. Withdrawal by the student would also affect the university's course completion rate.
- If a student disputes a judgement that they are ineligible the university would not want to bear the cost, time and reputational damage involved
- Any process that is significantly manual as described above is quite open to gaming either by an unscrupulous institution, or an unscrupulous student.

From: David Thomson <david.thomson@otago.ac.nz>
Sent: Friday, 3 November 2017 12:33 p.m.
To: John MacCormick
Subject: FYI Unofficially

Hi John

I have a meeting with Otago Polytechnic this morning, and they indicated that:

- 80% of their first years currently pay fees via loans
- Where they offer scholarships by way of fees waiver, they would likely allow students to defer taking up the fee waiver option for 2018 and apply it to their second year of study.

Cheers

David Thomson
Director
Planning & Funding
Office of the Vice-Chancellor
Room G09, Clocktower Building
Tel. 03 479 7716

From: Chris Whelan
Sent: Thursday, 9 November 2017 3:24 p.m.
To: Chris Hipkins
Cc: Tim Fowler; John MacCormick; Dafydd Davies
Subject: Letter from Universities New Zealand - re fees free policy implementation
Attachments: Letter Hon Chris Hipkins re Free fees implementation 9.11.2017.pdf

Dear Minister,

Please find attached a letter from Stuart McCutcheon as Chair of Universities New Zealand.

Chris

Chris Whelan
Executive Director

Universities New Zealand - Te Pōkai Tara
Level 9, 142 Lambton Quay, PO Box 11915, Wellington 6142
Phone [+64 4 381 8500](tel:+6443818500) | [9\(2\)\(a\)](http://www.universitiesnz.ac.nz) | <http://www.universitiesnz.ac.nz>

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9 November 2017

Hon. Chris Hipkins
Minister of Education
Parliament Buildings
Wellington

Via email: c.hipkins@ministers.govt.nz

Dear Minister

Fees-free tertiary study

Summary: *Vice-Chancellors are unanimously of the view that the fees-free tertiary study policy should be enacted via the current Student Loan Scheme, i.e. institutions would charge students fees as they do now, the students would put those fees on their loans, the government would determine which students were eligible for the fees-free arrangement and write-off that component of the loans for eligible students. We ask you to note that in our view any other arrangement is unworkable and likely to disadvantage students.*

Discussions have been held recently with representatives from the Ministry of Education and Tertiary Education Commission and with staff in the universities about the implementation of the Government's fees-free policy. University representatives have also been involved in subsequent discussions, including a joint meeting that also involved representatives from StudyLink and non-University tertiary education providers.

The Vice-Chancellors understand from these discussions that decisions will be taken shortly on the policy's implementation and thought that it would be helpful to set out our views.

The Vice-Chancellors are unanimously of the view that the Student Loan Scheme should form the basis for implementation of the new fees-free policy. Currently, most students finance their studies with support from StudyLink, with the Student Loan Scheme being the common means by which they pay fees. The system by which students apply for support via StudyLink is well established and efficient, and the manner in which fees then flow to the universities (and are adjusted as students change course, etc) is also quite seamless from both the student and institutional perspective. We also understand that this view is shared by other providers in the tertiary education sector.

We are concerned to ensure that the implementation of this policy does not introduce complicated procedures and extra financial burdens, for both the government and tertiary institutions, and that it is readily understood by students. A simple arrangement utilising an established agency – StudyLink – and integration with an existing form of student support – loans – minimises risk and ensures a better-quality student experience. The single point of contact provided by StudyLink is in our view the best way

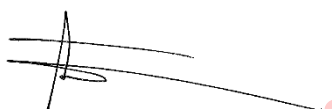
to ensure that students receive consistent advice and treatment as this major new policy is implemented at short notice. The system could operate as it does now except that government would determine which students were eligible for free fees and write off that component of their loans. The same arrangement, other than the write-off, would then apply to subsequent years of their study and to students who were not eligible for the write-off.

Provider institutions do not have access to students' full tertiary or secondary records needed to verify a student's claim for fees-free eligibility. Government agencies do have access to that information and are able to rapidly verify eligibility, as a result of which they alone are equipped to make such decisions.

I understand that an alternate, potentially more complex, option for implementation has been put forward. The alternate option, as put forward by officials, places the assessment of students' eligibility for free-fees with institutions. This would present a considerable risk for students and institutions, and is in our view unworkable. Institutions would not be able to implement the eligibility assessment and subsequent processes without making system changes, something that at this point in the 2018 enrolment cycle is not possible. For students, there would be a high risk of institutional decisions being inconsistent and disadvantaging those the policy is intended to assist. Furthermore, for reasons we have explained in the BIM, we are not in a position to assume additional costs on behalf of Government

I appreciate the level of consultation undertaken to date by the Government agencies. I would like to emphasise the importance of implementing this policy in a way that minimises risks and costs to students, institutions and the Crown.

Yours sincerely,

A handwritten signature in black ink, consisting of a stylized 'S' followed by a horizontal line and a small flourish.

Stuart McCutcheon
Chair, Universities New Zealand

From: Brendan Kelly (TEC)
Sent: Monday, 13 November 2017 10:51 a.m.
To: naomi.ferguson@ird.govt.nz; brendan.boyle001@msd.govt.nz
Cc: Arlene.White@ird.govt.nz; ruth.bound002@msd.govt.nz; Iona Holsted; Claire Douglas; Deirdre Marshall; Tim Fowler
Subject: Fees Free - letter to Minister Hipkins from Universities NZ
Attachments: Letter Hon Chris Hipkins re Free fees implementation 9.11.2017.pdf

Good morning Naomi and Brendan

Please see attached for your information a letter from Universities New Zealand to Minister Hipkins. Iona requested that this be shared with you.

Following discussion with Minister Hipkins, in Tim Fowler's absence overseas, Iona will manage this relationship. She will contact Stuart McCutcheon, Chair of Universities New Zealand, to discuss their concerns.

Sincerely

BK

Brendan Kelly

Deputy Chief Executive Information / Chief Information Officer



DDI 04 462-5801

E Brendan.kelly@tec.govt.nz

PO Box 27-048, Wellington 6141 New Zealand

www.tec.govt.nz

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9 November 2017

Hon. Chris Hipkins
Minister of Education
Parliament Buildings
Wellington

Via email: c.hipkins@ministers.govt.nz

Dear Minister

Fees-free tertiary study

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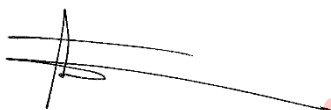
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Yours sincerely,

A handwritten signature in black ink, consisting of a stylized 'S' followed by a horizontal line and a small flourish.

Stuart McCutcheon
Chair, Universities New Zealand

From: Chris Whelan
Sent: Friday, 17 November 2017 7:57 a.m.
To: John MacCormick
Subject: RE: Letter from Universities New Zealand - re fees free policy implementation

out of scope

And, I've sent you the invitation to the Minister via separate email.

Chris

From: John MacCormick [REDACTED] s 9(2)(a) OIA
Sent: Friday, November 17, 2017 7:47 AM
To: Chris Whelan <chris.whelan@universitiesnz.ac.nz>
Subject: RE: Letter from Universities New Zealand - re fees free policy implementation

Hi Chris

I'm just reviewing and joining up some draft replies to Ministerial correspondence.

Stuart M's letter re fees free

- We're going to take it that the ongoing discussions between Stuart M, Iona Holsted and Brendan Kelly (in Tim F's absence) are dealing adequately with Stuart's letter on behalf of VC's about fees free. There'll be no full written response from the Minister.

Invite to meet with the VCs

out of scope

- You mentioned that UNZ has written to the Minister inviting him to meet with the VCs.
- Were you referring to the UNZ BIM, or another letter from Stuart (if so I haven't seen it!), or an email from you to the Minister's office (which I also haven't seen or heard of yet)?
- Were you aiming for the VCs' meeting on Thurs 7 December, or for a separate meeting – eg a visit to the office by a smaller delegation?

JM

John MacCormick | Chief Policy Analyst | Tertiary Education

s 9(2)(a) OIA

From: Chris Whelan
Sent: Thursday, 9 November 2017 3:24 p.m.
To: Chris Hipkins <Chris.Hipkins@parliament.govt.nz> s 9(2)(a) OIA
Cc: Tim Fowler <tim.fowler@tec.govt.nz>; John MacCormick [REDACTED]; Dafydd Davies [REDACTED] s 9(2)(a) OIA
Subject: Letter from Universities New Zealand - re fees free policy implementation

Dear Minister,

Please find attached a letter from Stuart McCutcheon as Chair of Universities New Zealand.

Chris

Chris Whelan
Executive Director

Universities New Zealand - Te Pōkai Tara
Level 9, 142 Lambton Quay, PO Box 11915, Wellington 6142
Phone [+64 4 381 8500](tel:+6443818500) | [9\(2\)\(a\)](http://www.universitiesnz.ac.nz) | <http://www.universitiesnz.ac.nz>

Universities NZ is the peak body for New Zealand's eight universities. It is also known as the New Zealand Vice-Chancellors' Committee.

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Released under the Official Information Act 1982

From: [REDACTED] s 9(2)(a) OIA
Sent: Monday, 27 November 2017 11:10 a.m.
To: Claire Douglas; Andy Jackson
Cc: s 9(2)(a) OIA [REDACTED] Sean Teddy
Subject: FW: Fees-free tertiary study
Attachments: Letter to Hon. Chris Hipkins, Minister of Education re Fees-free tertiary study 27.11.17.pdf

Importance: High

Hi There
 For consideration please
 Thanks

[REDACTED] s 9(2)(a) OIA

s 9(2)(a) OIA

[REDACTED] Executive Manager

From: Lydia Lewis [mailto:lydia.lewis@auckland.ac.nz]
Sent: Monday, 27 November 2017 11:01 a.m.
To: chris.hipkins@parliament.govt.nz
Cc: Iona Holsted <Iona.Holsted@education.govt.nz>; Tim Fowler <tim.fowler@tec.govt.nz>
Subject: Fees-free tertiary study

Dear Minister

Please find attached a letter from Professor Stuart McCutcheon, Vice-Chancellor of the University of Auckland, regarding Fees-free tertiary study.

Kind regards
 Lydia

Lydia Lewis
 Executive Assistant to the Vice-Chancellor
 The University of Auckland
 (09) 3677196 or ext: 87751
lydia.lewis@auckland.ac.nz
 The Clock Tower, 22 Princes Street, Auckland 1010
 Private Bag 92019, Auckland 1142
www.auckland.ac.nz





Vice-Chancellor's Office

Professor Stuart N. McCutcheon PhD
Vice-Chancellor

27 November 2017

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W auckland.ac.nz
The University of Auckland
Private Bag 92019
Auckland 1142
New Zealand

Hon. Chris Hipkins
Minister of Education
Parliament Buildings
Wellington

Via email: c.hipkins@ministers.govt.nz

Dear Minister

Fees-free tertiary study

Thank you for your telephone call last Friday and the opportunity to discuss with you the three proposals for funding Fee-free tertiary study. I thought that it would be helpful if I set out the key points of our discussion and highlighted the particular issues that I have been made aware of through the University staff involved in the discussions with the Government agencies.

The Vice-Chancellors are clearly of the view that the government agencies must be responsible for ascertaining and confirming individual student eligibility for Fees-free tertiary study. We have considered the options and have re-affirmed our view that the only viable option for funding Fees-free tertiary study, is via StudyLink.

Using StudyLink as the agency to pay institutions will be the most effective for students, have the least impact on tertiary institutions and involve the lowest risk to government. From a TEI view this option will allow existing channels to be used. For 80% of Auckland's first year students who indicate that they have applied to StudyLink, there would be no difference to their current application and enrolment processes. Our information also indicates that Māori and Pacific students do not find StudyLink a barrier and have a higher rate of application (89% and 87% respectively) than the overall rate.

We have heard that there are software issues associated with using StudyLink as the system for paying fees to institutions and concerns about the association with Loans. We find it difficult to believe that it is not possible for StudyLink to set up a Fee-free process loosely based on existing processes that is not bound by the standard thresholds.

Our preference for the StudyLink option extends to its auditability. Retaining the information about student eligibility and funding of Fee-free study between StudyLink and TEC will allow the TEC to use its data-matching capabilities to understand individuals' eligibility and to understand the Crown liability without involving TEIs.

The two options that involve the Tertiary Education Commission paying institutions in advance or once enrolments have been finalised will require institutions to undertake reconciliation processes that will in turn mean that information will need to be held on the eligibility for Fee-free study of each student at the level of the student course enrolment. It is only if eligibility information is held at this level that will we be able to account for the funding we have received and understand the funding we can expect on an on-going basis and for audit purposes. To require a lower level of reconciliation will put the Crown at risk. The system changes required to achieve this are simply not able to be made in time to implement the policy in 2018.

Either of the options for payment through the TEC would require each TEI to undertake significant additional work for both the reconciliation processes and to undertake the regular reporting to TEC necessary for Treasury to understand the Crown's financial liability.

The option of the Tertiary Education Commission paying fees after enrolments are complete, is not tenable. It would have a negative impact on institutions' cash flow and I understand that such a mechanism has the potential to increase the financial risk for institutions and, as a result the Crown. Several institutions would be placed in severe financial difficulty as a result of the changed cash flow and its impact on interest received and expected debt repayments. It would also require a constant flow of information between the TEC and each institution as enrolments are finalised throughout the year.

As application and enrolment processing for 2018 first-year students is already well underway in the university sector I appreciate your efforts to consult with the sector and to ensure we get an early decision. However, since approximately 90% of our first year applications will have been made by 1 December we consider that the only viable option for students, institutions and the Crown is to use StudyLink to manage the relationships and funding to students and institutions, while TEC establishes and maintains the eligibility criteria and monitoring through a combination of existing data sources and an additional set of data from StudyLink. To ask institutions to set up the information systems to meet monitoring and ongoing reconciliation at this time is untenable.

Yours sincerely



Stuart McCutcheon
Vice-Chancellor

c.c. *Tim Fowler, Chief Executive, Tertiary Education Commission*
Iona Holsted, Chief Executive, Ministry of Education