

Briefing Note: Student Loan Scheme quarterly reports for July to September 2021, and October to December 2021

To:	Hon Chris Hipkins, Minister of Education		
Cc:	Hon David Parker, Minister of Revenue Hon Carmel Sepuloni, Minister for Social Development Dr Deborah Russell, Parliamentary Under-Secretary of Revenue		
Date:	4 May 2022	Priority:	Medium
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Drafter:	Tipene Johnson	DDI:	6444637949
Key Contact:	Kieran Forde	DDI:	04 463 7697
Messaging seen by Communications team:	No	Round Robin:	No

Purpose

This report provides you with updates on:

- the performance of the Student Loan Scheme (the Scheme) in the periods July to September 2021 (quarter one), and October to December 2021 (quarter two);
- borrowing and repayments compared to the Scheme forecast; and
- ongoing policy and operational work related to the management of the Scheme.

Summary

An overview of key trends is included in the 'Student Loan Scheme at a Glance' sections on pages 3 and 4.

In comparison to the same period in the previous financial year, the following patterns have been identified for the financial quarters covering July to September 2021, and October to December 2021:

- In both quarters, the numbers of students borrowing (including total borrowers, and borrowers of fees, course-related costs, and living costs) decreased by a small amount and the total amount borrowed decreased.
- This was partly because borrowing and borrower numbers during quarters one and two of the previous financial year were high due to the temporary increase of \$1,000 to course-related costs entitlements for study commencing in 2020. This was part of the Government's COVID-19 response. We expected significant reductions this year as the additional \$1,000 was not extended again for study commencing in 2021.
- Overall, 6,405 (6.7%) fewer students borrowed in quarter one, compared to the same quarter in the previous financial year. The ongoing impacts of the COVID-19 pandemic and in particular, the August 2021 lockdown, are likely to be making some

students cautious about study decisions.

- The total number of borrowers (both in New Zealand and overseas) with overdue repayments has decreased by 5% compared to the end of quarter two in the previous financial year. While there are fewer overseas based borrowers in default, there was a 2 percentage point decline in overseas borrowers meeting their repayment obligations., IR continues to focus on supporting borrowers to manage their loans.
- Despite the decrease in the total number of borrowers in default, the total overdue amount at the end of the calendar year has increased by 8.3%, driven by a 9% increase in the amount overdue from overseas-based borrowers. The overdue amount increases due to the imposition of late payment interest on overdue loan balances.

Recommended actions

The Ministry of Education recommends you:

- a. **note** that key information about trends in quarters one and two 2021/22 compared to the same quarters in the previous financial year are summarised in the 'Student Loan Scheme at a Glance' sections on pages 3 and 4
- b. **forward** this report to the Honourable David Parker, Minister of Revenue, the Honourable Carmel Sepuloni, Minister for Social Development, and Dr Deborah Russell, Parliamentary Under-Secretary of Revenue
- c. **agree** that the Ministry of Education will proactively release this paper, in consultation with the Ministry of Social Development and Inland Revenue, and with any necessary redactions made in line with provisions of the Official Information Act 1982.

Release Not release



Kieran Forde
Senior Manager
Ministry of Education

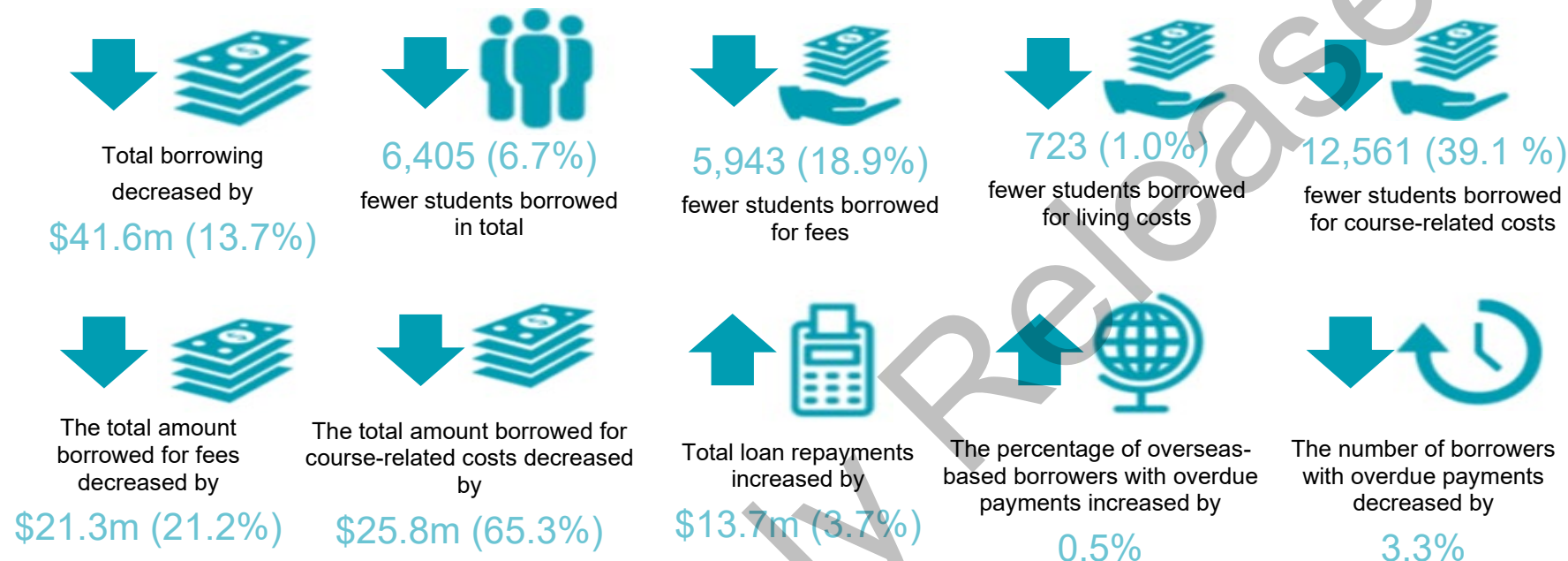
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Hon Chris Hipkins
Minister of Education

30/6/2022

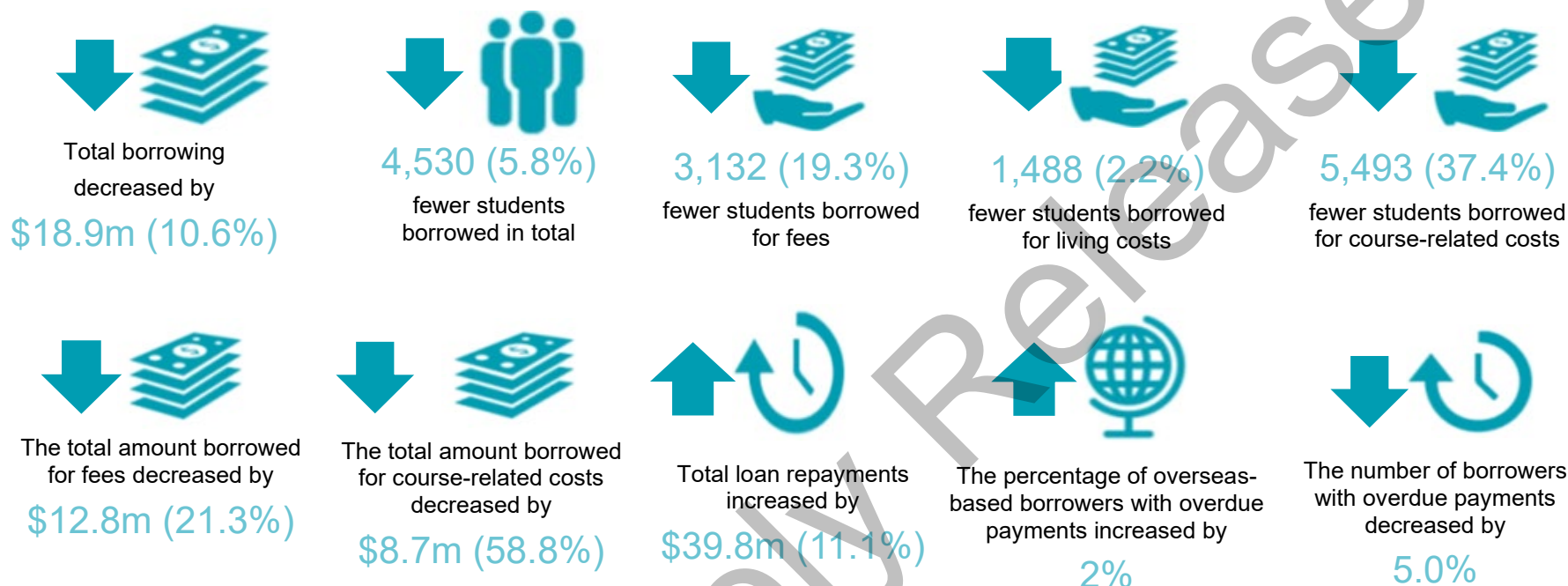
Student Loan Scheme at a glance — Performance for quarter one 2021/22 (1 July to 30 September 2021) compared to quarter one 2020/21



The \$41.6m reduction in total borrowing represents decreases of \$21.3m and \$25.8m in borrowing for course fees and course-related costs respectively (slightly offset by a \$5.5 million increase in living costs borrowing). The decrease in fees borrowing may be due in part to the impact of the August 2021 lockdown on students' study decisions, particularly for those in Auckland. We expected a decrease in course-related costs borrowing as the additional \$1,000 in entitlements was a temporary increase in response to COVID-19 and was not available for study commencing in 2021.

Overall student loan repayments increased by \$13.7m (3.7%) in quarter one compared to the same quarter in the previous financial year. This increase was primarily driven by an increase in repayments via employers (that is, Pay As You Earn (PAYE) payments). The total amount of repayments overdue at the end of quarter one increased by 11.4% compared to the same date in the previous financial year due to the imposition of late payment interest on overdue loan balances.

Student Loan Scheme at a glance — performance for quarter two 2021/22 (1 October to 31 December 2021) compared to quarter two 2020/21



Borrowing and borrower numbers during quarter two, 2020/21 were high due to the temporary increase of \$1,000 to course-related costs entitlements for study in 2020, introduced as part of the Government's COVID-19 response. We expected the significant reductions to borrowing and borrower numbers this year as the additional \$1,000 was not available for study commencing in 2021.

Total student loan repayments in quarter two increased by \$39.8m (11.1%) compared to the same quarter in 2020/2021, with the majority of the increase being from employer deductions (from IR's New Zealand based salary and wage population).

Overall repayments from overseas-based borrowers decreased from \$43.3m to \$35.5m (-18%) in quarter two, compared to the same quarter in the previous financial year. This reduction is due to a decrease in overseas-based borrower numbers, coupled with a fall in compliance.

Background

1. As part of Ministerial governance of the Scheme, officials report regularly on the Scheme's performance. This report is compiled by the Ministry of Education (MoE), with input from the Ministry of Social Development (MSD) and Inland Revenue (IR).
2. This report covers the first and second quarters of the 2021/2022 financial year. Unless otherwise stated, figures in this report are for:
 - a. financial quarter one, spanning 1 July to 30 September 2021, compared with the corresponding quarter in the 2020/21 financial year; and
 - b. financial quarter two, spanning 1 October to 31 December 2021, compared with the corresponding quarter in the 2020/21 financial year.
3. At its last meeting, the Student Loan Governance Group decided it would shift the format of these reports back to quarterly reporting of high-level trends only. It is hoped that this will increase the timeliness and relevance of reports provided to you, by better aligning reports with agencies' published data and reducing double-up reporting. We intend to move to quarterly reporting for the next quarter (that is, January to March 2022).
4. For this report, we note that random rounding to base three is now applied to client-related MSD data for external use. This means that the data for earlier years contained in this report may not match data provided to you previously for those years, and the sum of data in columns and rows may not add to the total in those columns and rows. Actual counts will not differ by more than two.

Impacts of COVID-19 on Scheme borrowing, repayments, and default

5. As expected, there was a decrease in course-related costs borrowing in quarters one and two compared to the same quarters in the previous financial year. This was expected as the additional \$1,000 in course related costs entitlements, that was made available to learners in 2020, was not available for study commencing in 2021.
6. Fee borrowing across both quarters was 21% lower than the same quarters in the previous financial year. This decrease may be due in part to the impact of the August 2021 lockdown on student's study decisions, particularly those in Auckland.
7. Compared to the same period in the previous financial year, the total loan amount in default from overseas-based borrowers at the end of quarter two (31 December 2021) increased by 9%, while the total number of overseas-based borrowers with overdue repayments at the end of quarter two decreased by 3.1%. These trends may be attributable to COVID-19 economic impacts globally, and an increased number of borrowers returning to New Zealand during the pandemic.
8. Unexpectedly, the number of repayments from domestic based borrowers increased in both quarters one and two for the 2021/22 financial year. Overall repayments for quarter two tracked above the forecast at 112% and total repayments resulting from employer deductions in this quarter increased by 14%. These increased repayments counter the initial predictions that COVID-19 would have a negative impact on the ability of New Zealand based borrowers to make loan repayments.

Scheme performance in quarter one

Loan borrowing¹ in quarter one

1. Total borrowing in quarter one of 2021/22 decreased by \$41.6m (13.7%) compared with the same quarter in the 2020/21 financial year (table one). This reflects decreases of \$21.3m (21.2%) in fees borrowing and \$25.8m (65.3%) in course-related costs borrowing, slightly offset by an increase of \$5.5m (3.3%) in borrowing for living costs (figure one).

Table 1: Borrowing and repayments for quarter one (1 January to 31 March) for 2020/21 and 2021/22

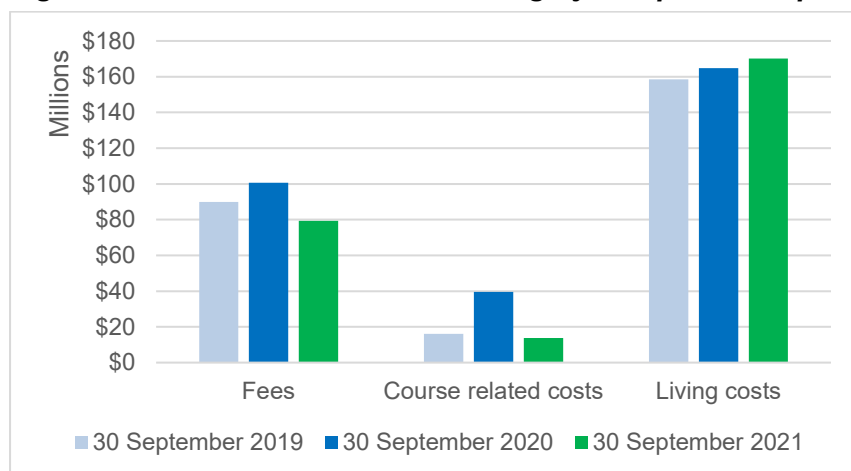
	Borrowing	Repayments
	Jul to Sep 2020	Jul to Sep 2020
	\$305.0m	\$373.5m
	Jul to Sep 2021	Jul to Sep 2021
	\$263.3m	\$387.2m
Difference	-\$41.6m	\$13.7m

Source: MSD and IR

2. Course-related costs borrowing was high for quarter one last year due to the temporary increase in course-related costs entitlements from April 2020, which enabled students to borrow an additional \$1,000 for study in 2020. We expected a significant decrease in borrowing for course-related costs this year, because the additional \$1,000 was not available for study starting in 2021.
3. A decrease of 5,943 (18.9%) students borrowing for fees (figure two) may be in part due to a shift in timing, as more students borrowed for fees in the previous quarter (quarter four of 2020/21), than in the same quarter of 2019/20.
4. During quarter one, 723 (1.0%) fewer students borrowed \$5.5m (3.3%) more for living costs compared to the same quarter in the previous financial year. Average living costs borrowing was \$99 (4.4%) higher, which can be partly attributed to the annual Consumers Price Index (CPI) adjustment to the maximum amount of living costs payable.
5. As part of Budget 2021, the Government also increased the student loan living cost maximum entitlement and student allowances rates by \$25 per week. As this increase takes effect from 1 April 2022, its impact on borrowing will become evident from quarter four of the 2021/22 financial year.

¹ Borrowing refers to the amount students borrow using their student loan. A borrower is anyone who has borrowed from the Scheme and who has not yet repaid this borrowing in full. This includes the amount borrowed for fees, course related costs and living costs. These figures do not include the \$60 establishment fee and do not allow for repayments and fee refunds.

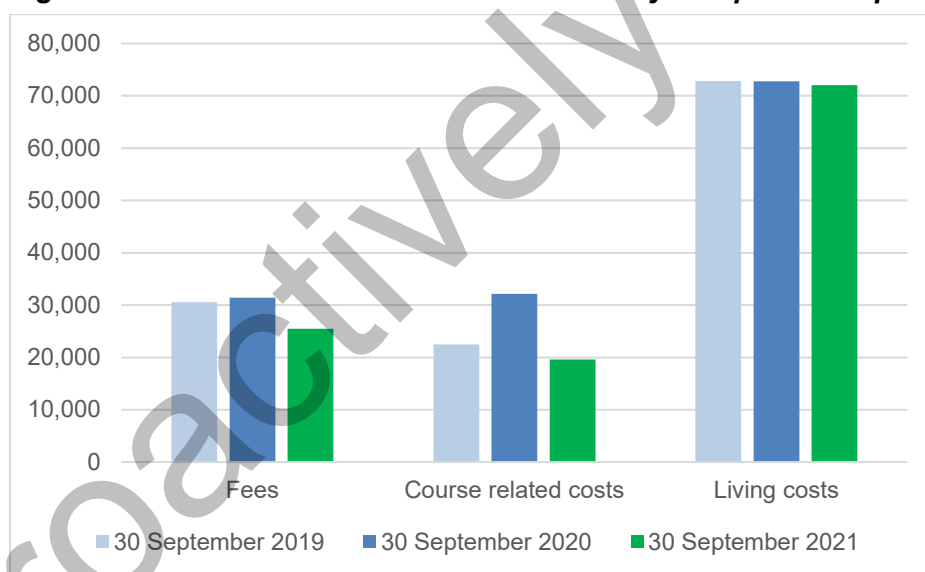
Figure 1: Total student loan borrowing by component – quarter one 2021/22



Source: MSD

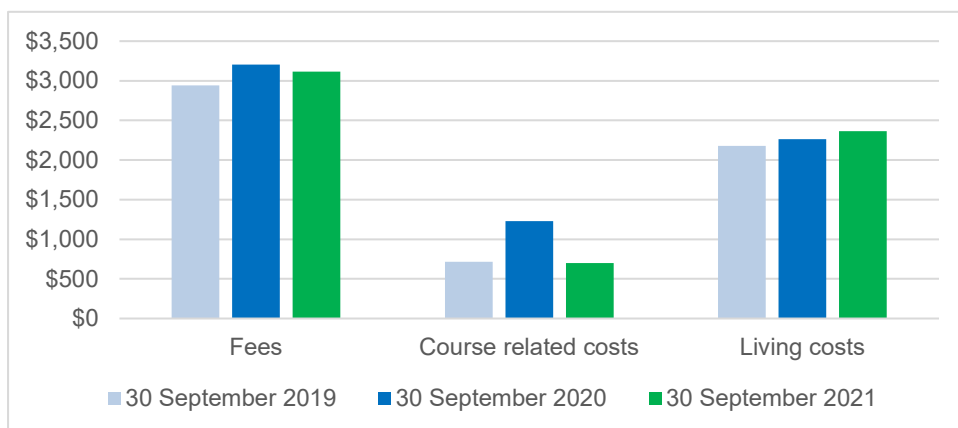
6. Figure 2 shows the number of students borrowing for course-related costs in quarter one decreased by 12,561 (39.1%) compared with the same quarter in the previous financial year. In the same period, the number of students borrowing for fees and living costs decreased by 5,943 (18.9%) and 723 (1.0%) respectively.
7. Overall, 6,405 (6.7%) fewer students borrowed in quarter one, compared to the same quarter in the previous financial year. The ongoing impacts of the COVID-19 pandemic, and in particular, the August 2021 lockdown, are likely to be making some students cautious about study decisions.

Figure 2: Number of student loan borrowers by component – quarter one 2021/22



Source: MSD

8. Total average borrowing decreased by \$238 (7.5%) per borrower in quarter one compared to the same quarter the previous year. Figure 3 shows decreases of \$529 (43.0%) to the average amount borrowed for course-related costs, and \$89 (2.8%) to the average amount borrowed for fees. The average amount borrowed for living costs increased by \$99 (4.4%).

Figure 3: Average borrowing per student by component – quarter one 2021/22

Source: MSD

Loan repayments² in quarter one

9. Overall student loan repayments increased by \$13.7m (3.7%) in quarter one compared to the same quarter in the previous financial year. This increase was primarily driven by an increase in repayments via employers (that is, PAYE payments).

Table 2: Repayments for quarter one (1 July to 30 September) for 2020/2021 and 2021/2022

	July to Sept 2020	July to Sept 2021	% Change
Repayment via employers	\$259.3m	\$283.6m	9.0%
Repayment via borrowers	\$114.3m	\$103.6m	-9.0%
Repayments via borrowers split by:			
Overseas-based borrowers	\$63.1m	\$47.9m	-24.0%
New Zealand borrowers	\$51.1m	\$55.7m	9.0%
Total	\$373.5m	\$387.2m	4%

Source: IR

10. Overall repayments from overseas-based borrowers fell by \$15.2m (-24.0%), with repayments for the month of September down \$5.7m. September and March are the months when compulsory overseas-based repayments are due.

Default in quarter one

11. The total number of borrowers with overdue repayments at the end of quarter one (30 Sept 2021) decreased by 3.3% compared to the same date in the previous financial year. This comprises a significant decrease in New Zealand based borrowers with overdue repayments and a small increase in overseas-based borrowers with overdue repayments (table 3).
12. There has been a decrease in compliance from overseas-based borrowers which has fallen from 31% in December 2020 to 26% on 30 September 2021. Inland Revenue's focus during the pandemic has been on supporting borrowers to manage their loans. As we move to a post-pandemic environment, greater emphasis will return to improving payments from borrowers overseas. This includes focusing on those who are looking to

² The student loan repayment threshold sets the amount of income a New Zealand based borrower can earn before they are required to start making repayments on their student loan balance. This threshold can be adjusted by Order in Council and is increased annually by the rate of CPI (excluding tobacco) to ensure that, over time, price level rises do not increase the risk that an individual's repayment obligations are causing them financial hardship.

move, or have recently moved, overseas.

Table 3: Borrowers with overdue repayments for quarter one for 2020/2021 and 2021/2022

	30 Sept 2020	31 Sept 2021	% Change
New Zealand based	27,422	23,636	-13.1
Overseas-based	75,815	76,245	0.6%
Total	103,237	99,881	-3.3%

Source: IR

13. The total amount of repayments overdue at the end of quarter one (30 Sept 2021) increased by 11.4% compared to the same date in the previous financial year (table 3). This is due to the imposition of late payment interest on overdue loan balances.

Table 4: Total repayments overdue end of quarter one (1 July- 30 September) for 2020/2021 and 2021/2022

	30 Sept 2020	31 Sept 2021	% Change
New Zealand based	\$137.2m	\$138.9m	-1.7
Overseas-based	\$1,453.4m	\$1,636.8m	12.6%
Total	\$1,590.6m	\$1,771.6m	11.4%

Scheme performance in quarter two

Loan borrowing in quarter two

14. Total borrowing in quarter two of 2021/22 decreased by \$18.9m (10.6%) compared with the same quarter in the 2020/21 financial year (table 5). This reflects decreases of \$12.8m (21.3%) in fees borrowing and \$8.7m (58.8%) in course-related costs borrowing, slightly offset by an increase of \$2.5m (2.5%) in borrowing for living costs (figure 4).

Table 5: Borrowing and repayments over quarter two (1 October to 31 December) for 2020/21 and 2021/22.

	Borrowing	Repayments
	Oct to Dec 2020	Oct to Dec 2020
	\$178.9m	\$357.7m
	Oct to Dec 2021	Oct to Dec 2021
	\$159.9m	\$397.5m
Difference	\$18.9m	\$39.8m

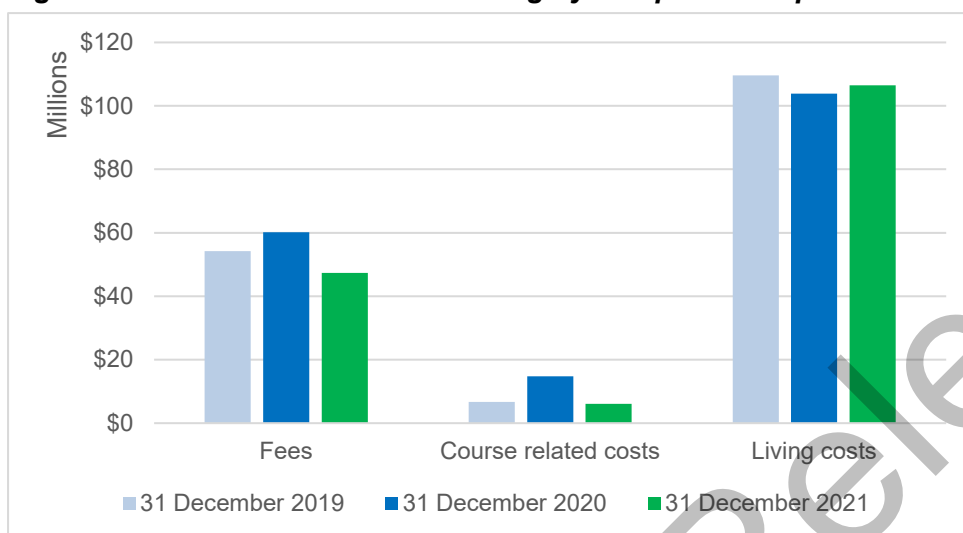
Source: MSD and IR

15. The decrease in fee borrowing reflects a reduction of 3,132 (19.3%) students borrowing for fees during the quarter (figure five). This may be due in part to the ongoing impacts of COVID-19, particularly the August 2021 lockdown, on students' study choices. Average fees borrowing decreased by \$90 (2.4%) per student.
16. A significant decrease in borrowing for course-related costs was expected this year, as the additional \$1,000 in course-related costs entitlements as part of the Government's

COVID-19 response was a temporary increase only available for study in 2020.

17. While borrowing for living costs increased by \$2.5m (2.5%) in quarter two of 2021/22 compared to the same quarter in the previous financial year (figure 4), the number of students borrowing for living costs reduced by 1,488 (2.2%) (figure 5).

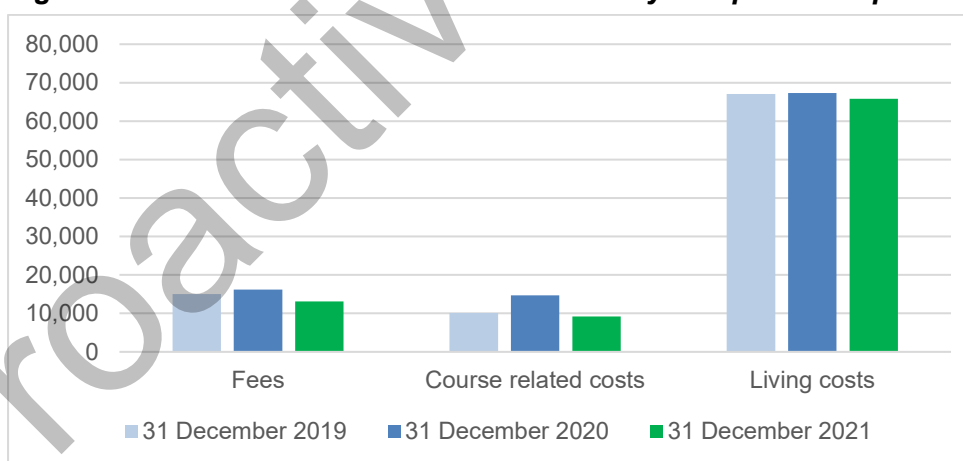
Figure 4: Total student loan borrowing by component – quarter two 2021/22



Source: MSD

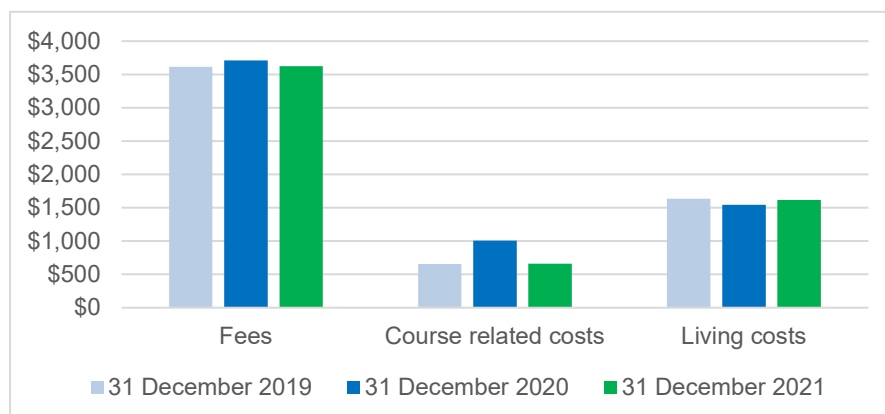
18. In quarter two, the number of students who borrowed for course-related costs decreased by 5,493 (37.4%) compared with the same quarter in the previous financial year. The number of students who borrowed for fees decreased by 3,132 (19.3%), and the number of students who borrowed for living costs decreased by 1,488 (2.2%) (figure 5). Overall, 4,530 (5.8%) fewer students borrowed in quarter two this year, compared to quarter two in the previous financial year.

Figure 5: Number of student loan borrowers by component – quarter two 2021/22



Source: MSD

19. Total average borrowing decreased by \$117 (5.1%) per borrower in quarter two, compared to the same quarter in the previous financial year. Figure 6 shows an increase of \$73 (4.7%) to the average amount borrowed for living costs, alongside decreases of \$90 (2.4%) to the average amount borrowed for fees, and \$344 (34.2%) to the average amount borrowed for course-related costs, compared to the same quarter in the previous financial year.

Figure 6: Average borrowing per student by component – quarter two 2021/22

Source: MSD

Loan repayments in quarter two

20. Total student loan repayments in quarter two increased by \$39.8m (11.1%) in comparison to the December quarter of 2020, with the majority of the increase being from employer deductions (from IR's New Zealand based salary and wage population) (table six).

Table 6: Repayments for quarter two (1 October to 31 December) for 2020/2021 and 2021/2022

	Oct to Dec 2020	Oct to Dec 2021	% Change
Repayment via employers	\$272.61m	\$310.2m	14%
Repayment via borrowers	\$85.7m	\$87.4m	2%
Repayments via borrowers split by:			
Overseas-based borrowers	\$43.3m	\$35.5m	-18%
New Zealand borrowers	\$42.4m	\$51.9m	22.4%
Total	\$357.7m	\$397.5m	11.1%

Source: IR

21. The increased repayments can also be attributed to a salary and wage income growth. IR's new filing and paying system (*introduced in April 2019 and made compulsory for employers in April 2020*) has also made it easier for employers to accurately calculate repayment amounts based on each payment they make to their employees, alongside improved electronic payment options which allow employers to make one lump sum payment on behalf of their employees.

22. Overall repayments from overseas-based borrowers decreased from \$43.3m to \$35.5m (-18%) in quarter two, compared to the same quarter in the previous financial year. This reduction is due to a decrease in overseas-based borrower numbers, coupled with a fall in compliance. The number of borrowers overseas fell by 5.6% during quarter two, which partially explains the decrease in total repayments from overseas-based borrowers. We expect this can be attributed to global economic uncertainty due to COVID-19, with more borrowers coming back into New Zealand.

Loan default in quarter two

23. The total amount of student loans in default is \$1,838.9m, up from \$1,697.8m (8.3%) compared to the same quarter the previous year (table 7). The total number of borrowers in default decreased from 105,094 to 99,833 (-5.0%) in quarter two compared to the same

quarter in the previous financial year (table 8).

Table 7: Loan amounts in default for quarter two (as at 31 December) for 2020/2021 and 2021/2022

	31 Dec 2020	31 Dec 2021	% Change
New Zealand loans overdue	\$134.2m	\$134.8m	0.4%
Overseas-based loans overdue	\$1,563.6m	\$1,704.0m	9.0%
Total	\$1,697.8m	\$1,838.9m	8.3%

Source: IR

Table 8: Borrowers with overdue repayments for quarter two (as at 31 December) for 2020/2021 and 2021/2022

	31 Dec 2020	31 Dec 2021	% Change
New Zealand based	24,917	22,107	-11.3
Overseas-based	80,177	77,726	-3.1%
Total	105,094	99,833	-5.0%

Source: IR

24. The total number of borrowers in default (both in New Zealand and overseas) has decreased by 5.0% compared to the end of quarter two in the previous financial year. This is due to several reasons including:

- Repayments have increased from New Zealand based borrowers,
- There has been a corresponding increase in hardship applications since last year
- IR continues to focus on supporting borrowers to get their repayments back on track by making it easier for them to self-manage their obligations online via myIR (including checking loan balances, making electronic payments, working out their repayment obligations by using the online repayment calculator, setting up instalment arrangements, applying for hardship and direct online interactions with IR).

25. Despite the decrease in the total student loan population in default, total overdue amounts have increased by 8.3%. This is due to the imposition of late payment interest on overdue loan balances.

Calendar year-to-date loan borrowing and loan repayments

26. To put the information about loan borrowing, repayments, and defaults into context of the academic year, we have included calendar-year-to-date information in this section.

Calendar year-to-date borrowing

27. Total borrowing from 1 January to 31 December 2021 decreased by \$61.3m (4.0%) compared with the same period in 2020 (table 9). This reduction is due to a decrease of \$90.8m (50.8%) in borrowing for course-related costs, partially offset by increases of \$3.7m (0.4%) in borrowing for fees and \$25.8m (5.1%) in borrowing for living costs.

28. We expected the decrease in borrowing for course-related costs, as the temporary increase to course-related costs entitlements provided as part of the Government's COVID-19 response was only available to students who were already enrolled in or

starting study in 2020.

29. Average borrowing decreased by \$282 (2.7%) per student, due to the reduction in borrowing for course-related costs. Compared with the 2020 calendar year, 9,103 (9.2%) fewer students borrowed an average of \$832 (45.8%) less per student for course-related costs.
30. The number of students borrowing for fees decreased by 3,270 (2.6%), with average fee borrowing \$220 (3.1%) higher per student. This is expected to be due to annual compulsory course fee increases (within regulated fee limits) and the trend towards more full-time study. The number of students who borrowed for living costs increased by 498 (0.6%), while the average amount borrowed increased by \$265 (4.5%) per student. The total number of student loan borrowers decreased by 1,911 (1.3%) compared to the 2020 calendar year.

Table 9: Student Loan borrowing, 2020 and 2021 calendar years

	As at 31 December 2020	As at 31 December 2021	% change
Fees	\$870.6m	\$874.3m	0.43%
Course related costs	\$178.8m	\$87.9m	-50.81%
Living costs	\$502.2m	\$528.0m	5.13%
Total	\$1,551.6m	\$1,490.3m	-3.95%

Source: MSD

Does not include repayments and refunds

Table 10: Student Loan borrowers, 2020 and 2021 calendar years

	As at 31 December 2020	As at 31 December 2021	% change
Fees	124,143	120,873	-2.63%
Course related costs	98,460	89,358	-9.24%
Living costs	85,965	86,463	0.58%
Number of students	148,905	146,994	-1.28%

Source: MSD

Calendar year-to-date repayments and overdue repayments

Table 11: Calendar year-to-date repayments

	for year ending 31 December 2020	for year ending 31 December 2021	% change
Repayment via employers	\$1,115.2m	\$1,130.2m	1.3%
Repayment via borrowers	\$409.7m	\$417.8m	2.0%
Repayments via borrowers split by:			
Overseas-based borrowers	\$212.7m	\$176.4m	-17.1%
New Zealand borrowers	\$196.9m	\$241.5m	22.6%
Total	\$1,524.9m	\$1,548.2m	1.5%

Scheme forecast in quarter one

Borrowing versus forecast**Table 11: Borrowing versus forecast for the quarter ending 30 September**

	Jul to Sep 2020	Jul to Sep 21
Actual Lending	\$306.1m	\$263.7m
As a percentage of forecast	111.2%	87.9%

31. The first quarter of 2021/22 saw a \$36.3m underspend compared to the Budget Economic Fiscal Update (BEFU) forecast. Of this \$20.3m was from course fees and \$12.2 from living costs.

Table 12: Collections performance compared with IR's forecast and the valuation forecast

	July-Sept 2020	July to Sept 2021
Total - actual	\$373.5m	\$387.2m
% of forecast	115%	101%

32. Repayments received directly from borrowers were 89% of what was expected for quarter one, while employer deductions were 106% of what was expected. Overall, actual repayments for this quarter tracked above the forecast at 101%.

Scheme forecast in quarter two**Borrowing versus forecast****Table 13: Borrowing versus forecast for the quarter ending 31 December**

	Oct to Dec 2020	Oct to Dec 21
Actual Lending	\$179.4m	\$160.7m
As a percentage of forecast	97.8%	106.1%

33. The second quarter of 2021/22 saw a \$9.3m overspend compared with the Half Year Economic and Fiscal Update (HYEFU) 2021 forecast. This was caused by a \$10.4m overspend on living costs with a slight offset by a \$1.0m underspend on fees.

Collections performance compared with IR's forecast and the valuation forecast**Table 14: Repayments Performance (actuals vs forecast)**

	QTR_Dec2020	QTR_Dec2021
Actual Repayments	\$357.7m	\$397.4m
As a percentage of forecast	116%	112%

34. Actual repayments tracked above the forecast as 112%. This consists of 99% expected repayments from borrowers, while employer deductions were 117% of what was expected.
35. As noted earlier, total repayments resulting from employer deductions have increased by 14%, countering initial predictions that COVID-19 would likely negatively impact the capacity of New Zealand-borrowers to make loan repayments.

Ongoing work on Scheme settings

StudyLink Applications and Processing Times

36. StudyLink's peak application season runs from September to March each year, as students apply for assistance over the study break, and for the coming academic year.
37. StudyLink's annual 'Call to Action' campaign commenced on 20 September 2021. The campaign encourages students to apply online and provide their supporting documents by the target date of 16 December. Maintaining a high level of early applications enables MSD to manage the large volume of work effectively

Student allowance increases

38. On 1 April 2022, Student Allowance and the maximum entitlement for Student Loan living costs increased by \$25 per week. We expect the impact of this increase on borrowing will become evident from quarter four of the 2021/22 financial year.
39. Additionally, there was a mandatory 5.95% increase to the student allowance rate from 1 April 2022 to reflect the raise seen in the New Zealand Consumers Price Index from the December 2020 quarter to the December 2021 quarter.

Tertiary education and student support access for family members of those affected by the Christchurch mosques terror attack

40. Individuals affected by the Christchurch mosques terror attack who hold a Christchurch Response Visa, or who would have been eligible for this residence visa, have the same access to student support and first-year Fees Free study as domestic students.
41. However, the families of these individuals, who have travelled to New Zealand to support their relatives and have been granted resident visas through other pathways, face some barriers to accessing tertiary study. These include the three-year stand-down period to access student support for New Zealand residents, and fees for higher-level English for Speakers of Other Languages (ESOL) courses. MoE and MSD intend to work together to provide Ministers with options later in the year on supporting these family members.

Tūli Takes Flight Scholarships income exemption for student allowance purposes

42. MoE and MSD are working together to exempt the Tūli Takes Flight Scholarships from being counted as income for student allowance purposes. The scholarships are part of the Government's Dawn Raids apology to Pacific families and communities and are targeted at people already in study or training, including post-graduate study, or those in the process of enrolling.
43. We do not expect this exclusion to have additional costs. MSD intends to make the change internally, with delegated approval from its Chief Executive.

Release of Student Loan statistics

44. Quarterly Student Loan statistics are published on IR and MSD's respective agency websites. Statistics to 31 December 2021 were published on 14 March 2022. A copy of these statistics was provided to your office on 25 February.

Annexes

Annex 1: Overview of advice on ongoing work related to the Student Loan Scheme

Proactively Released