



Education Report: Eligibility to student support for people affected by the Christchurch mosque attacks

To:	Hon Chris Hipkins, Minister of Education		
Date:	10 February 2020	Priority:	High
Security Level:	In Confidence	METIS No:	1218248
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Messaging seen by Communications team:	N/A	Round Robin:	Yes

Purpose

This education report seeks your agreement to align student support residency settings with equivalent changes made to the benefit residency settings for some people affected by the Christchurch terrorist attacks.

Summary

In May 2019, the Government waived the two-year residency stand-down period applicable to the main benefits for New Zealand residents affected by the Christchurch terrorist attacks. This was to ensure that those affected by the Christchurch terrorist attacks, and their families, were able to access income support.

Currently, a stand-down period of three years applies for people with a residency class visa before they become eligible for student loans and allowances as well as Fees Free payments. Under current policy settings, if this group of residents accessed tertiary study, they could not have any fees met through the Fees Free policy, or fees and living costs met through student loans or allowances, because of the stand-down. They could, however, have their living costs supported through income support benefits from the Ministry of Social Development.

We propose extending the Government's decision to waive the residency stand-down period for this group to student support and Fees Free payments, to be consistent with the approach taken for income support. Waiving the residency stand-down period for two particular groups will provide further targeted support for those affected by the terrorist attacks. It will also help many of these affected people achieve their tertiary education and career goals more quickly.

Making these changes will have student support costs but these will be small and time-limited as this change to eligibility is limited to a very small group of people, who would most likely be eligible for this support after three years.

Cabinet approval is required to make these changes. We need to move quickly to ensure anyone affected by the terrorist attacks wanting to study this year can access the necessary support in a timely manner.

Recommended actions

The Ministry of Education recommends you:

- a. **agree** to seek Cabinet approval to waive the three year residency stand-down for student loans and allowances for some people affected by the Christchurch terrorist attacks, to be consistent with the approach taken for income support

Agree / Disagree

- b. **agree** to also waive the three year residency stand-down for Fees Free tertiary education and training for the same group of residents

Agree / Disagree

- c. **agree** to forward this education report to Ministers Sepuloni and Nash, if you agree to recommendations (b) and (c), to seek their support for the proposed change

Agree / Disagree

- d. **agree** that this Education Report is proactively released after decisions have been made by Cabinet, with any redactions in line with the provisions of the Official Information Act 1982

Agree / Disagree


Andy Jackson
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10/02/2020



Hon Chris Hipkins
Minister of Education

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Background

1. After the attacks on Masjid Al Noor and Linwood Masjid on 15 March 2019, the Government created a special residency visa, the Christchurch Response (2019) Permanent Resident Visa (Christchurch Visa), for people present during the terrorist attacks and their immediate families (if they did not already have New Zealand residency) [CAB-19-MIN-0172].

Government also made changes to the main benefits for those affected by the Christchurch terrorist attacks

2. In May 2019, the Cabinet Business Committee agreed to waive the two-year benefit stand-down period¹ required to receive Jobseeker Support, Sole Parent Support and Supported Living Payment, for those affected by the terrorist attacks [CBC-19-MIN-0021]. This was to ensure that affected people were able to access income support. Specifically, the exemption applies to:
 - a. people with a Christchurch Visa, and
 - b. people who would have been eligible for a Christchurch Visa, but were already permanent residents, and do not meet the two-year residency requirement.
3. The exemption means people with a Christchurch Visa or permanent residency are eligible for main benefits without having to meet a cash asset test. This was a simple and targeted response to address any gaps in the provision of income support for those affected by the Christchurch mosque attacks.

Student support areas were not considered when these changes were made

4. Student financial support was not considered at the time. This is because Cabinet was looking at the immediate income support needs for affected families when making these changes.

A residency stand-down period also applies to student support

5. To provide New Zealand with confidence that New Zealand permanent residents (NZPRs) will stay in New Zealand after they study, there is a stand-down period before they become eligible for both student loans and allowances.² That is, they must have held a residency class visa for three years and lived in New Zealand for at least three years. They must also be ordinarily resident in New Zealand.

There have also been queries about access to Fees Free payments

6. When the Fees Free policy was introduced in 2018, it adopted the residency-based eligibility criteria from the student support settings.
7. The Tertiary Education Commission (TEC) has received four appeals from individuals impacted by the Christchurch terrorist attacks for a review of eligibility to Fees Free payments. Currently, they are not eligible for Fees Free due to an insufficient residency period.

¹ Under the settings of the Social Security Act 2018, to receive Jobseeker Support, Sole Parent Support and Supported Living Payment, a person must generally be a New Zealand citizen or NZPR, and have resided continuously in New Zealand for a period of at least two years after becoming a citizen or resident.

² The three-year stand-down period also applies for Australian citizens.

8. The TEC has discretion around eligibility for exceptional circumstances, but must apply this in line with the policy intent of Fees Free.

We propose to waive the residency stand-down period for student loans and allowances as well as Fees Free settings for this special category of residents

9. Waiving the residency stand-down period for student support for this special category of residents (as described in paragraphs 2a and 2b) would provide consistency between income support through the benefit system and student support.
10. This proposal would also provide further targeted support for those affected by the terrorist attacks. It would recognise that they need both an immediate compassionate response to their income support needs, and a longer term compassionate response to their tertiary education and career needs and goals.
11. If the student loans and allowances residency stand-down period is removed for this group, then this should flow through to eligibility for Fees Free as well, as they are currently aligned.
12. In addition to waiving the two-year benefits stand-down period, gifts or donations made to a person in relation to the Christchurch terrorist attacks, or any income derived from them, are exempted from cash assets and income testing for 12 months by the Social Security Regulations 2018 [CAB-19-MIN0134 refers]. We will discuss aligning income tests for Student Allowances with this exemption with the Ministry of Social Development (MSD).

Making these changes will have student support costs but these will be small as eligibility is ring-fenced and the impact is time-limited

13. In total, Immigration New Zealand has approved 150 people for a Christchurch Visa from June to 30 November 2019. At that time, they had another 30 applications on hand, where decisions were yet to be made.
14. These numbers are likely to be the majority of those eligible for this immigration category, as there has been a focus from Immigration New Zealand on getting applications in and processed quickly. This reflects that government estimated 188 people to be eligible for the Christchurch Visa when the category was established.

We have provided indicative policy costings below

15. It is difficult to estimate the numbers who will take up tertiary education, or precise cost of these proposed changes. This is because there is limited information on the circumstances for this group, for example their prior tertiary study patterns for Fees Free eligibility, or their income levels for eligibility for student allowances.
16. However, the numbers within this group, that will study and seek student support or Fees Free payments prior to meeting the three-year residency period (that they would currently have to meet), are expected to be very small, as the total population affected is small.
17. Of the Christchurch visa applications processed by November 2019, 78 people are between 20 and 40 years of age, the group most likely to access tertiary education. If we take a very high estimate of this group's tertiary participation (40%), this would be 30

additional people in tertiary education per year over the three years, from 2020 until the end of 2022.³

18. An initial estimate of the additional capital borrowing for the student loan fees and course-related costs components is \$0.688 million from 1 January 2020 to the end of December 2022. An initial estimate of the operating costs for student loan borrowing during this period is \$0.283 million.⁴
19. As this group of people are already eligible for income support through the benefits system, we will confirm with MSD any transfers within Vote Social Development to cover uptake of student allowances by this group of residents, instead of income support.
20. The additional costs for Fees Free payments are minimal and can be met within existing baselines. In the year to August 2019, 52,300 people accessed Fees Free payments. A small increase in Fees Free learners will not significantly impact costs. An estimate of the fiscal impact on Fees Free payments would be \$0.350 million from 1 January 2020 to the end of December 2022.⁵
21. MSD may have additional operational costs it cannot meet from baseline. This will be confirmed once work is completed on planning the implementation of the changes.
22. We will work with Treasury on options for funding these changes. When the same change was made to income support benefits, the funding was met from the between Budget contingency. We could seek Cabinet agreement to the same source of funding for the purpose for the student support costs.

The process for implementing changes has a number of steps that differ for each component changed

23. If you agree to waive the residency stand-down period for the special category of residents for student support and Fees Free settings, you would need to seek Cabinet approval. The process for implementing the changes is:
 - a. *Fees Free tertiary education and training*: Cabinet agreement to eligibility change, and then you would need to approve an updated Fees Free tertiary education and training delegation.
 - b. *Student loan borrowing*: Cabinet agreement to eligibility change.
 - c. *Student allowances*: Cabinet agreement to eligibility change, and then Cabinet Legislation Committee approves changes to the Student Allowances Regulations 1998 (the Regulations).
24. Although the process for amending the Regulations would take additional time, we note that due to the existing waiver for benefit stand-down periods, students from this group of residents who may otherwise seek access to student allowances would have the ability to seek living costs support through MSD.

³ Those granted the Christchurch residency visa in late 2019 would be eligible for student support and Fees Free payments by 2023 under current policy settings. Note that it will be longer than three years for anyone who goes overseas to live and then returns to live in New Zealand, as the three year count stops while they are living overseas.

⁴ Note that we will finalise the costings through the Cabinet paper process, if you agree to the proposed changes.

⁵ This assumes all 30 students are eligible in 2020, and then in the subsequent two years, half are, to reflect some students continuing in study for more than one year. We assumed the Fees Free payments per learner reflected the average for 2018.

25. Following Cabinet agreement, further time may be required for MSD and TEC to implement these policy changes through their administrative processes. MSD advise that they need to undertake further work to determine the best administrative approach and confirm an achievable implementation timeframe.
26. Study at the majority of tertiary providers resumes by early March. This means we need to move quickly to ensure anyone affected by the terrorist attacks wanting to study this year can access the necessary support when they need to.

Next steps

27. If you agree to align student support and Fees Free settings with the benefits settings for this special category of residents, we will provide a draft Cabinet paper to your office by the end of next week.