



**MINISTRY OF SOCIAL  
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

26 APR 2018

Dear [REDACTED]

On 30 January 2018, you emailed the Ministry requesting, under the Official Information Act 1982, the following information:

- *A copy of all communications between your staff and/or any other government department or ministerial offices regarding the fees free policy for the first year of tertiary education. I am particularly interested in any information regarding the cost as well as any cost benefit analysis of the policy.*
- *I would expect this to include all advice, reports (including drafts), briefing notes and emails which fall within the scope of my request. The time frame for my request is information sent or received since 23 October 2017.*
- *Where information is withheld, I request you provide the title and date of the communication/document withheld, the reason for refusal and the grounds in support of that reason as required by section 19(a)(i) and (ii) of the Official Information Act.*

On 12 February 2018, a Ministerial and Executive Services Advisor contacted you to refine your request, to which you agreed to receive the following information:

- *A copy of all communications between your staff and any other government agency or ministerial offices regarding the development of costings and cost benefit analysis of the fees free policy for the first year of tertiary education.*
- *We suggest that in regards to your request for draft reports, this be refined to include only those reports that were sent for formal consultation.*

The Ministry of Education is the lead agency for this policy. As such, no reports were sent by the Ministry of Social Development for formal consultation to other government agencies or ministerial offices. As such, your request is refused under section 18(e) of the Official Information Act as this information does not exist.

Please find enclosed two documents in scope of your request. You will note that the names of some individuals are withheld under section 9(2)(a) of the Official Information Act in order to protect the privacy of natural persons. The need to protect the privacy of these individuals outweighs any public interest in this information.

Please note, information that does not relate to the cost or cost benefit analysis of the Tertiary Education Fees Free Policy including policy options considered and administrative emails have not been included as they are out of scope of this request.

You will also note that the contact details of some individuals have been withheld under section 9(2)(k) of the Official Information Act in order to reduce the possibility of staff being exposed to phishing and other scams. This is because information released under the Official Information Act may end up in the public domain, for example, on websites including the Ministry's own website.

Date	Title
17 November 2017	Email: Fwd: Actions from Fees Free solution option meeting – Friday 27 Nov 2017
24 November 2017	Aide-memoire: Making tertiary education more affordable: fees-free education in 2018

I understand that the Treasury and the Ministry of Education received a similar request for information from you. The Ministry has not included any documentation owned by Treasury or the Ministry of Education to avoid duplication of material.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public shortly. The Ministry will do this by publishing this letter and attachments on the Ministry of Social Development's website. Your personal details will be deleted and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact [OIA\\_Requests@msd.govt.nz](mailto:OIA_Requests@msd.govt.nz).

If you are not satisfied with this response regarding the Tertiary Education Fees free Policy, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or 0800 802 602.

Yours sincerely



Elisabeth Brunt  
**General Manager, Ministerial and Executive Services**

Out of Scope



RELEASED UNDER THE OFFICIAL INFORMATION ACT

Begin forwarded message:

s 9(2)(a) [redacted]  
**From:** OIA s 9(2)(k) OIA [redacted]  
**Date:** 17 November 2017 at 6:56:29 PM NZDT  
**To:** Ruth Bound s 9(2)(k) OIA [redacted] Martin Collison s 9(2)(k) OIA [redacted]  
 Deirdre Marshall s 9(2)(k) OIA [redacted]  
 s 9(2)(k) OIA [redacted], Liz Jones s 9(2)(k) OIA [redacted] s 9(2)(a) OIA [redacted]  
 s 9(2)(k) OIA [redacted], s 9(2)(a) OIA [redacted] s 9(2)(k) OIA [redacted] s 9(2)(a) OIA [redacted]  
 s 9(2)(k) OIA [redacted] s 9(2)(k) OIA [redacted] Jim Strivens [redacted]  
 s 9(2)(k) OIA [redacted], Jan Sheppard s 9(2)(k) OIA [redacted] Fraser Sloane [redacted]  
 s 9(2)(k) OIA [redacted], s 9(2)(a) OIA [redacted] s 9(2)(k) OIA [redacted], s 9(2)(a) OIA [redacted]  
 s 9(2)(k) OIA [redacted]  
**Cc:** s 9(2)(a) OIA [redacted] s 9(2)(k) OIA [redacted] s 9(2)(a) OIA [redacted]  
 s 9(2)(k) OIA [redacted] Julie Keenan s 9(2)(k) OIA [redacted], Andy [redacted]  
 Jackson s 9(2)(k) OIA [redacted]  
 s 9(2)(k) OIA [redacted], Elias Wyber s 9(2)(k) OIA [redacted], s 9(2)(a) OIA [redacted]

**Subject: Actions from Fees Free solution option meeting - Friday 17 Nov 2017**

Hi all,

Please see below an outline of key discussion points and agreed actions from this afternoon's Fees Free solution option meeting - Friday 17 Nov 2017:

**Key discussion points**

1. Three potential Fees Free solutions options are now for consideration. These include:
  - Out of Scope
3. New Option E – TEC led Bulk fund TEOs
  - Agency preference is for no EFTS cap to apply, however if required preference is for an EFTS dollar cap of c \$12k - \$14k rather than a study volume EFTS cap
  - Out of Scope
  - New option (option E) to consider;
    - bulk upfront funding based on forecast of \$12k cap
    - TEOs send SDR in May
    - TEC checks eligibility
    - Payment wash-up by June
  - Out of Scope

**Actions:**

1. Agencies to work up the process flows for each option (refer those options listed above). Comparative details to include the following:
  - Learner experience (including primary and alternative flow)
  - TEO impact
  - Critical Path for delivery
  - Risk assessment (incl. implementation do-ability for 2018 study, Fiscal, Cultural etc)
  - Cost details (Operational and implementations)
  - Sustainable for 2019 and beyond
2. Governance Group to discuss further a comparative assessment of Fees Free delivery options on Monday 20 Nov – 8am MSD office

Any questions or points of clarification please let me know by return.

Cheers

s 9(2)(a) OIA

| Portfolio Manager – Strategy and Change | **Service Delivery**

s 9(2)(k) OIA

# Aide-mémoire



MINISTRY OF SOCIAL  
DEVELOPMENT  
TE MANATŪ WHAKAHIATO ORA

## Cabinet paper

**Date:** 24 November 2017      **Security Level:** Budget Sensitive

**For:** Hon Carmel Sepuloni, Minister for Social Development

**File Reference:** REP/17/11/1190

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## Making tertiary education more affordable: fees-free education in 2018

<b>Cabinet meeting</b>	Cabinet
<b>Date of meeting</b>	27 November 2017
<b>Minister</b>	Hon Chris Hipkins, Minister of Education
<b>Proposal</b>	<p>This paper seeks Cabinet agreement to the eligibility criteria and delivery method to implement a first year of fees-free education and training in 2018. It follows Cabinet agreement on 20 November 2017 to increase student allowances and student loan living costs by \$50 a week from 1 January 2018.</p> <p>We recommend that you <b>support</b> the proposal.</p>
<b>Key issues</b>	<p>This proposal delivers on the Government's 100-day-plan commitment to implement a first year of fees-free tertiary education from 1 January 2018.</p> <p>This proposal reflects the decisions of the Ministerial group (which you have been part of) that has been working through the policy details for tertiary education manifesto commitments. In particular, it reflects the decision that a provider-payment method (led by the Tertiary Education Commission (TEC)) will be used to deliver fees-free study.</p> <p>MSD will still be impacted by this delivery method. MSD will review all existing loan applications for fees from first-time borrowers or students who have previously borrowed for study totalling 0.5 EFTS or less, in order to avoid students borrowing for fees when they do not need to. MSD will also experience increased call volumes through its StudyLink Contact Centre to answer students' questions about the fees-free policy.</p> <p>MSD is seeking operating costs in relation to fees-free of \$1.3m in 2017/18 and \$0.8m in out-years (this includes project costs in 2017/18). This is in addition to the \$0.6m one-off implementation costs that MSD is seeking in relation to the \$50 student support increase policy.</p>

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**Our advice**

MSD was consulted on this paper and it reflects our comments.

**Details of MSD costs for fees-free**

As mentioned above, MSD has sought funding for delivery of this policy of \$1.3m in 2017/18 and \$0.8m in out-years. The main components of these costs are:

- reversal of fee applications already in the student loan system, plus management of new loan applications (3 FTEs on-going)
- Contact Centre costs to deal with a growth in calls from student-loan clients, due to an increased rate of queries and some allowance for growth in overall demand for loans (in the event that more students take up tertiary education and borrow for living costs as a result)
- Contact Centre costs to deal with queries from non-student-loan clients, who may call directly or following contact with providers or TEC (8 Contact Centre FTEs in total)
- project costs in 2017/18 of approximately \$0.7m
- Contact Centre and project costs include a 50% contingency, as the detailed delivery is still being finalised and behavioural changes as a result of this policy are difficult to predict.

MSD is working closely with TEC and the Ministry of Education to finalise detailed delivery of the fees-free policy.

**Update on costs for \$50 increase to student support**

MSD is also seeking one-off implementation costs of \$0.6m for the \$50 increase to student allowances and loans, as IT changes are required to make the rates changes. This work is underway and was noted in the previous Cabinet paper when policy decisions were made on the \$50 increase.

MSD continues to work with the Parliamentary Counsel Office to develop amendments to the Student Allowances Regulations 1998, in order to implement the \$50 increase to student allowances.

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