

**Ministerial subgroup on 100 days tertiary education commitments
20 November 2017**

<p>Agenda</p>	<p>1. Fees-free in 2018</p> <ul style="list-style-type: none"> a. Decisions on delivery model b. Legislative changes for student loan delivery model c. Initial costings d. Draft Cabinet paper e. Communications <p>2. \$50 student loan and allowance increases</p> <ul style="list-style-type: none"> a. Communications <p>3. Other issues</p>
<p>Draft agenda for 20 November</p>	<ul style="list-style-type: none"> 1. feedback on Cabinet consideration of \$50 increase to student loans and allowances 2. draft Cabinet paper on implementing fees free for 2018 and final decisions on student loans and allowances 3. costings update 4. implementation planning update for fees free in 2018 5. communications planning for fees free in 2018
<p>Attendees</p>	<p>Ministers of Education (Chair), Finance, Social Development, Revenue, and Associate Minister of Education (Hon Martin)</p> <p>Ministry of Education: Iona Holsted (Chair of interagency governance group), Claire Douglas, Andy Jackson, John MacCormick, Julie Keenan, Elias Wyber</p> <p>Tertiary Education Commission: Tim Fowler, Brendan Kelly, Deirdre Marshall, Jan Sheppard</p> <p>Treasury: Grace Campbell-Macdonald, Andrew Rutledge</p> <p>Ministry of Social Development: Ruth Bound, Liz Jones, Shaun McMaster</p> <p>Inland Revenue: Arlene White, Charles Ngaki</p> <p>State Services Commission: Geoff Short (apologies)</p> <p>Department of Prime Minister and Cabinet: Paul O'Connell</p>
<p>Attachments</p>	<ul style="list-style-type: none"> 1. Comparison of fees-free delivery options (separate circulation) 2. Legislative and operational requirements to support the fees-free study options (separate circulation) 3. Demand forecast and costings 4. Draft Cabinet paper 5. Notes on fee cost and distribution (to be tabled)

Item 1. Fees-free in 2018

a. Decisions about delivery model

A decision is required about a preferred delivery model, in order to meet critical path timelines for implementation.

The decision comes down to a balance of different sets of risks.

<i>Issue</i>	<i>Issues to Discuss – Recommendation</i>
A Delivery model	Discuss and agree the balance of risks across the two alternative delivery models, and indicate a preferred approach.

The group worked through the tabled memo – Comparisons and costings to implement options for fees-free initiative in 2018, and on the balance of risks Ministers AGREED to option 1 – provider payment option.

The Ministerial subgroup agreed that with the delivery mechanism decision now taken and TEC leading the solution (with other agencies' ongoing input) it would not need to meet in its current form again. The group agreed that future decisions would be taken by the Minister of Education, in consultation with the Associate Minister of Education (Hon Martin) and reported to Cabinet.

b. Legislative changes for student loan delivery model

In order to implement changes through the student loan scheme, two amendments to the Student Loan Scheme Act are required.

<i>Issue</i>	<i>Issues to Discuss – Recommendation</i>
B Agree to development of a Cabinet paper and liaison with PCO over drafting instructions	Covered in separate paper.

N/A after item 1a decision.

c. Initial costings

Officials have provided a paper which sets out initial costs of the free-fees policy and three demand response scenarios.

<i>Issue</i>	<i>Issues to Discuss – Recommendation</i>
C Discuss the costings and indicate a preferred demand response scenario	Covered in separate paper

The group discussed the “draft update to Financial implications section” memo. MoE explained the costings summarised in each of the three tables, noting that tables 1 and 2 do not include any behavioural impact assumptions, whereas table 3 includes a medium-high growth scenario. Treasury clarified that the paper had not been QAd by them yet. Ministers noted the paper and did not provide further feedback. MoE explained that an updated draft Cabinet paper, including the costings in the memo (updated to reflect new eligibility decisions and QA) is to be supplied this week for ministerial consultation and lodging for Cabinet on Monday 27 November.

d. Draft Cabinet paper

<i>Issue</i>	<i>Issues to Discuss – Recommendation</i>
<p>D Provide feedback on the draft Cabinet paper</p> <p>Agree that prior level 3 Youth Guarantee programmes will not be exempt from assessment of prior study</p> <p style="text-align: right;">YES</p> <p><i>Minister Hipkins requested that this decision was for 2018 only and requested reassessment of this criteria in 2018 for 2019.</i></p> <p>Agree to a per-person fees free support cap of \$12,000</p> <p style="text-align: right;">YES</p> <p><i>The group agreed upon this cap following discussion of the circulated note “How many students may be affected by a fess-free \$ cap?”. Ministers AGREED that the details of the \$ cap will need to be communicated to students, however requested that agencies monitor and review fees and fee-charging behaviour and report back to Ministers next year.</i></p> <p>Agree that the residence requirements will not apply to industry trainees</p> <p style="text-align: right;"><i>Decision not taken – subject to further advice</i></p>	

e. Communications

Officials have begun communications planning for the fees-free policy. Final planning depends on the delivery model chosen.

We would like to discuss Ministers’ preferences for the timing of announcements.

The group discussed how communications would be essential to the success of the policy, in particular timely communications and support to providers to help manage some of risks in the provider-payment option. Minister Hipkins agreed to communicate soon with some of the key tertiary education providers to assist with strong communications to the sector. TEC noted that the indicative costing of \$10-15m for delivery of the provider-payment option includes resourcing of personnel support costs at providers. Ministers AGREED for agencies to communicate the chosen delivery option to providers. Minister Robertson requested for students’ associations to be contacted regarding the policies as they are a key channel to communicating to students.

Item 2. \$50 student loans and allowances increases

a. Communications

Confirm approach to communications following Cabinet decisions on 20 November.

The group discussed that the \$50 increase to living costs support will be communicated through a PR early this week (Tuesday/Wednesday).