



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

08 APR 2020

Tēna koe [REDACTED]

On 11 February 2020, the Ministry of Social Development (the Ministry) received your request, under the Official Information Act 1982, for information about student loan applications and repayments.

The Student Loan Scheme was transferred to the Ministry in 2000 and Studylink was formed. Information about the responsibilities of different government departments in the Student Loan Scheme prior to this is available here:
www.workandincome.govt.nz/map/students/student-loan/history.html.

A copy of the current Student Loan Scheme Act is available here:
www.legislation.govt.nz/act/public/2011/0062/latest/whole.html.

Students choosing to undertake tertiary study are solely responsible for deciding what to study and how to pay for their study. The Student Loan Scheme reduces barriers to tertiary education by providing students with access to finance for tuition fees and to assist with living costs and other education related costs. The Ministry encourages students to only borrow what they need, and provides calculators and information to help students understand the cost of study and the implications of borrowing decisions. There is no legal responsibility to assess an individual's likely ability to repay a Student Loan, and applicants are not asked for information to evaluate this. However, borrowers who live in New Zealand and who earn less than the repayment threshold do not have a loan repayment obligation.

For the sake of clarity, I will respond to each of your questions in turn:

- *What finance, credit, lending, consumer protection or other legislation, regulation, policy or guidelines apply to the assessment, approval, and administration of student loan applications?*

The legal framework for Student loan applications is publicly available here:
www.workandincome.govt.nz/map/students/student-loan/legal-framework-student-loan-scheme.html

- *What responsibilities does Studylink have under the Responsible Lending Code or other legislation, regulation or policy, in relation to assessing a student's likely ability to repay the loan, particularly in relation to high cost creative qualifications (certificates in Fine Arts etc) likely to have limited employment prospects on graduation?*

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The Ministry has no such responsibilities. Therefore, this part of your request is refused under section 18(e) of the Official Information Act as this information does not exist or, despite reasonable efforts to locate it, cannot be found. However, guidelines about considering studying and how you can pay for it are available on Studylink's website and can be found here: <https://www.studylink.govt.nz/starting-study/thinking-about-study/index.html>

- *What checks or assessments does Studylink undertake in relation to evaluating an applicant's likely ability to repay their loan in the future?*

Studylink has no obligation to assess an applicant's ability to repay their student loan. However, borrowers who live in New Zealand and who earn less than the repayment threshold do not have a loan repayment. Therefore, this part of your request is refused under section 18(e) of the Official Information Act as this information does not exist or, despite reasonable efforts to locate it, cannot be found.

- *What finance, credit, lending, consumer protection or other legislation, policy or guidelines applied to the assessment, approval and administration of student loan applications during the period 1994-2003?*

From 1994 to 2003, the legislation in place was the Credit Contracts Act 1981. This is available here: www.nzlii.org/nz/legis/hist_act/cca19811981n27205.pdf

- *What responsibilities did Studylink (or its predecessor at the time) have under the Responsible Lending Code, Credit Contracts Act or other legislation, regulation or policy in relation to assessing a student's likely ability to repay the loan, particularly in relation to high cost creative qualifications (certificates in Fine Arts etc) likely to have limited employment prospects on graduation during the period 1994-2003?*
- *What checks or assessments did Studylink undertake in relation to evaluating an applicant's likely ability to repay their loan in the future during the period 1994-2003?*

Since its creation in 2000, Studylink has had no obligation to assess an applicant's ability to repay their student loan. Therefore, this part of your request is refused under section 18(e) of the Official Information Act as this information does not exist or, despite reasonable efforts to locate it, cannot be found.

- *What checks or assessments did Studylink undertake in relation to evaluating the value for money/appropriateness of private tertiary courses being approved for funding through Student Loans during the period 1994-2003?*

Studylink did not undertake any such assessments. Therefore, this part of your request is refused under section 18(e) of the Act as this information does not exist or, despite reasonable efforts to locate it, cannot be found.

The New Zealand Qualifications Authority (NZQA) is responsible for managing the New Zealand Qualifications Framework as well as the independent quality assurance of non-university tertiary education providers.

Further information about approved courses is available here: www.studylink.govt.nz/about-studylink/glossary/approved-study-course-programme.html

On 1 March 2020, you emailed the Ministry, adding the below question to your request for information:

Student Study Monitor results (or similar) for the period 1996-2000, as well as the results of any similar survey, research, review or analysis of students' satisfaction and understanding of the student loan scheme and its administration at or around that time.

Your request for this information is refused under section 18(g) of the Act as this information is not held by the Ministry and I have no grounds to believe that the information is held by another department or Minister of the Crown or organisation.

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

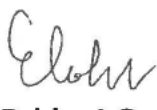
- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

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. The Ministry will do this by publishing this letter 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.

If you are not satisfied with this response, 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 or 0800 802 602.

Yours sincerely

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