The characteristics of student loan borrowers in New Zealand who made no repayments for long periods after study
This report forms part of a series called Learners in tertiary education. Other topics covered by the series are access, pathways, support, participation, retention and qualification completions.

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The author of this report has endeavoured to ensure that the information is true, accurate and current. However, the author and Ministry of Education do not accept any liability for the accuracy or content of this information.

Unless stated otherwise, all data in this report has been obtained from the Integrated Data Infrastructure (IDI), managed by Statistics New Zealand. The results in this report are not official statistics; they have been created for research purposes.

The opinions, findings, recommendations and conclusions expressed in this report are those of the authors, not Statistics NZ or the Ministry of Education.

Access to the anonymised data used in this study was provided by Statistics NZ in accordance with security and confidentiality provisions of the Statistics Act 1975. Only people authorised by the Statistics Act 1975 are allowed to see data about a particular person, household, business or organisation, and the results in this report have been confidentialised to protect these groups from identification.

Careful consideration has been given to the privacy, security and confidentiality issues associated with using administrative and survey data in the IDI. Further detail can be found in the Privacy impact assessment for the Integrated Data Infrastructure available from www.stats.govt.nz.

The results are based in part on tax data supplied by Inland Revenue to Statistics NZ under the Tax Administration Act 1994. This tax data must be used only for statistical purposes, and no individual information may be published or disclosed in any other form or provided to Inland Revenue for administrative or regulatory purposes.

Any person who has had access to the unit record data has certified that they have been shown, have read, and have understood section 81 of the Tax Administration Act 1994, which relates to secrecy. Any discussion of data limitations or weaknesses is in the context of using the IDI for statistical purposes, and is not related to the data’s ability to support Inland Revenue’s core operational requirements.
Persistent non-repayers

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Persistent non-repliers have been defined as borrowers in New Zealand who made no repayments towards their student loan in at least three consecutive tax years during the 10 tax years 2007/08–2016/17. These borrowers make up 25% (8,280 people) of all leavers who last studied in 2006 and had a loan balance of $20 or more as at 31 March 2007 (33,381 leavers with a leaving debt).

Persistent non-repliers in New Zealand who last studied in 2006 are more likely to:
- study qualifications at below degree level
- have not completed the last studied qualification
- have their main activity prior to study as ‘on a benefit’
- have the employment status in the 2007/08 tax year as ‘never employed’
- have the benefit status in the 2007/08 tax year as ‘always on a benefit’
- have no overdue amounts in the 2016/17 tax year
- be in New Zealand in the 2016/17 tax year.

While most persistent non-repliers made some repayments during the 10 years considered, about 29% of persistent non-repliers (2,439 people) made no repayments at all. They account for 7.3% of all leavers with a leaving debt.

At the end of the 2017/18 tax year, of the 8,280 persistent non-repliers:
- 17% (1,371 people) fully repaid their loan
- 4.1% (336 people) had their loan written off due to bankruptcy or death
- 22% (1,791 people) were repaying.

As a result, at the end of the 2017/18 tax year, among leavers with a leaving debt:
- the proportion of persistent non-repliers reduced to 20% (from 25%)
- the proportion of persistent non-repliers who made no repayments at all decreased to 6.8% (from 7.3%).

Of those persistent non-repliers who made no repayments in the 2017/18 tax year:
- more than 90% lived in New Zealand with no or low employment income
- 2.3% (108 people) went back to tertiary study in New Zealand
- 7.2% (345 people) were overseas.

The number of persistent non-repliers is expected to reduce in the future as new policies were introduced to tighten the student loan eligibility settings. These include the academic performance test, restricting borrowing to ‘fees only’ for borrowers aged 55 years and older, and a stand-down period for New Zealand permanent residents and Australian citizens. A full list of policy changes in the Student Loan Scheme since 2006 is presented in the Appendix.
1 INTRODUCTION

On 1 April 2006, the Government introduced interest-free student loans for borrowers who live in New Zealand for at least 183 consecutive days in a tax year, i.e. New Zealand based-borrowers. Borrowers who are not New Zealand-based are classified as overseas-based borrowers and are still required to pay interest on their student loans. When overseas-based borrowers return to New Zealand, they will be classified as a New Zealand–based borrowers once they have remained in the country for 183 days.

New Zealand-based borrowers who are neither borrowing nor repaying their loans make up 22% of the total borrowers (171,663 borrowers in the year ended 30 June 2018),¹ and 17% of the total balance owing ($2.7 billion in June 2018). This high proportion of non-repayers, particularly following the introduction of interest-free loans, has contributed to the increased Government subsidy in the Student Loan Scheme (on average 44.43 cents per dollar lent over the year ended 30 June 2018).

Scope of the current study

The current study aims to understand the characteristics of student loan persistent non-repayers in New Zealand who:

- studied in 2006 but did not study in any years between 2007 and 2016 and
- had a loan balance of at least $20 as at 31 March 2007 and
- made no repayments in at least three consecutive tax years during the 10 tax years 2007/08–2016/17 and
- were New Zealand-based borrowers in the tax years when no repayments were made.

The Student Loan Scheme is designed to enable a wide range of people to access quality tertiary education to gain qualifications, knowledge and skills that enhance the economic and social wellbeing of New Zealand. However, student loan lending does not lead to good employment or income outcomes for some individuals or for tax payers who make a significant contribution to tertiary costs. Understanding the characteristics of this group is important for monitoring the impact of Government policies. It should be noted that learners in this study left tertiary education before foundation level study became fees-free and before student loan eligibility settings were tightened from 2010.² Once we have more years of data in the Integrated Data Infrastructure we will be able to update this study to assess what the impact of these measures has been on this group of borrowers.

¹ Student Loan Scheme Annual Report 2017/18.
² These changes included the introduction of an academic performance test in 2011, a stand-down period for New Zealand permanent residents and Australian citizens in 2011, and restricting borrowing to ‘fees only’ for those aged 55 years and older in 2013.
The current study differs from the previous studies in the following three main aspects:

- examining a *longer period* after the last year of study (10 tax years instead of three or five tax years)
- focusing on borrowers who *persistently made no repayments*. The persistency is defined here as three or more consecutive years (instead of just one single end point after the last year of study)
- only including *New Zealand-based borrowers* (instead of including both New Zealand-based borrowers and overseas-based borrowers).

**Structure of this report**

*Chapter 2* outlines the number of leavers who left study in 2006 with a leaving debt, and the number and proportion of those who made no repayments for a number of consecutive years.

*Chapters 3–9* examine the characteristics of persistent non-repayers, in comparison with all leavers in 2006 with a leaving debt. The six broad characteristics examined are:

- **demographic** (*Chapter 3*): gender, age group, residency status, and ethnic group
- **main activity prior to study** (*Chapter 4*): main activity, such as ‘employed’, ‘school students’, ‘overseas’, ‘on a benefit’; and the main benefit type received
- **study** (*Chapter 5*): qualification level studied in 2006, sub-sector, completion status, and qualification level by completion status
- **post study activity** (*Chapter 6*): employment and benefit status, employment and benefit status by qualification level and by qualification completion status, main benefit type, and income in the 2007/08 tax year
- **student loan profile** (*Chapter 7*): borrowing up until the last year of study (2006) by loan component; loan balance amount as at 31 March 2007, 2012, and 2017; overdue status, and overdue amount as at 31 March 2017
- **student loan profile by overseas status** (*Chapter 8*): overseas status and student loan balance by overseas status in the 2016/17 tax year
- **persistent non-repayers in the 2017/18 tax year** (*Chapter 9*): repayment status, loan balance amount, and main activity of persistent non-repayers who made no repayments in the tax year.

*Chapter 10* outlines the technical notes.

The appendix presents some of the key changes in the student loan policy year-by-year since 2006.
Persistent non-repayers belong to a sub-population of all leavers who last studied in 2006 and had a loan balance of $20 or more as at 31 March 2007. In the remainder of the report, this whole population is referred to as ‘leavers’. Leavers who (1) made no repayments in at least three consecutive tax years during the 10 tax years from 2007/08 to 2016/17 and (2) were New Zealand-based borrowers in the tax years when no repayments were made, are defined as ‘persistent non-repayers’.

Figure 1 shows that, in 2006, there were 33,381 leavers, and of them:

- 42% (13,905 people) made no repayments in at least one tax year
- 30% (10,110 people) made no repayments in at least two consecutive tax years
- 25% (8,280 people) made no repayments in at least three consecutive tax years
- 8.5% (2,829 people) made no repayments in at least nine consecutive tax years
- 7.3% (2,439 people) made no repayments in all 10 tax years.

Persistent non-repayers account for 25% of leavers in 2006. That is 8,280 people.

Figure 1
Number of all leavers, number of people in each sub-population and the percentage of all leavers in each sub-population

Notes:
1. SP1, SP2, SP3, …, SP8, SP10 are the sub-populations of the population of leavers in 2006.
2. SP1 consists of leavers who made no repayments in at least one tax year, SP2 consists of leavers who made no repayments in at least two consecutive tax years, SP3 consists of leavers who made no repayments in at least three consecutive tax years, …., SP9 consists of leavers who made no repayments in at least nine consecutive tax years, SP10 consists of leavers who made no repayments in all 10 tax years.
3 DEMOGRAPHIC

In this chapter we present the demographic characteristics (gender, age group, residency status, and ethnic group) of persistent non-repayers in comparison with all leavers in 2006.

Gender

Figure 2 shows that more females than males presented among both persistent non-repayers and all leavers. However, the gender gap among persistent non-repayers was almost twice that among all leavers.

Overall, female leavers were more likely to become persistent non-repayers than male leavers. As shown in Figure 3, 27% of female leavers became persistent non-repayers compared with 22% of male leavers.

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Figure 2: Gender distribution of persistent non-repayers and of all leavers

Figure 3: Number and percentage of leavers who became persistent non-repayers by gender

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3This pattern is similar for all borrowers of the Student Loan Scheme with more females borrowing than males.
Age group

Figure 4 presents the age group distribution of persistent non-repayers and all leavers in their last year of study (2006). Almost 40% of persistent non-repayers last studied in their 20s, while more than half of all leavers did. Generally, persistent non-repayers left study at an older age than all leavers.

The proportion of leavers who became persistent non-repayers increased with age (Figure 5). Compared to leavers in the 20 to 24 years age group, leavers in the older age groups were more likely to become persistent non-repayers.

**Figure 4**
Age group distribution of persistent non-repayers and of all leavers

![Age group distribution](image)

**Figure 5**
Number and percentage of leavers who became persistent non-repayers by age group

![Number and percentage](image)
Residency status

The residency status distributions of persistent non-repayers and of all leavers were similar, with more than 80% being New Zealand citizens (Figure 6).

Figure 7 shows that New Zealand resident leavers were more likely to become persistent non-repayers than New Zealand citizen leavers. While 29% of New Zealand resident leavers became persistent non-repayers, 24% of New Zealand citizen leavers did.
**Ethnic group**

Student loan borrowers can identify themselves using up to three ethnic groups. In the current study, they are counted in each ethnic group they identify with. Therefore, the sum of the various groups may not add to the total.

Figure 8 shows that there was a higher proportion of Europeans among all leavers than among persistent non-repayers (60% compared to 46%). In contrast, there was a higher proportion of Māori among persistent non-repayers than among all leavers (31% compared to 20%).

The proportion of persistent non-repayers was smallest among European (19%), followed by Other (26%), Asian (28%), Pacific people (29%) and Māori (38%) (Figure 9). European leavers overall were less likely to become persistent non-repayers than leavers in other ethnic groups.

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*Figure 8 Education distribution of persistent non-repayers and of all leavers*

*Figure 9 Number and percentage of leavers who became persistent non-repayers by ethnic group*

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4 A relatively small number of leavers and persistent non-repayers did not identify themselves with any of the ethnic groups. They have been excluded from the total when calculating proportion.

5 ‘Other’ made up of people who identified themselves with an ethnic group rather than European, Māori, Pacific people or Asian.
The ethnic group with the lowest proportion of persistent non-repayers across all qualification levels was European (Figure 10). The ethnic group with the highest proportion of persistent non-repayers varied across the different qualification levels. The gap between the lowest and highest proportion of persistent non-repayers generally declined as the qualification level increased.

The proportion of European, Māori, Pacific people and Asian leavers who became persistent non-repayers also decreased as the qualification level increased.

It is noticeable that the proportion of Asian leavers who studied lower level certificates and became persistent non-repayers was relatively high.

**Figure 10**
Percentage of leavers who became persistent non-repayers by qualification level

![Graph showing percentage of leavers who became persistent non-repayers by qualification level and ethnic group.]

Figure 11 further examines the age distribution of persistent non-repayers by qualification level and ethnic group. It shows Asian persistent non-repayers studied Level 1–3 and Level 4 certificates at a much older age than persistent non-repayers of other ethnic groups. The 60 years or over age group made up 43% of Level 1–3 certificates and 23% of Level 4 certificates.6

**Figure 11**
Age group distribution of persistent non-repayers by ethnic group

![Graph showing age group distribution of persistent non-repayers by ethnic group and qualification level.]

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6 From 2013, student loan access for people aged 55 years and over was restricted to compulsory fees only.
4 MAIN ACTIVITY PRIOR TO STUDY

In this chapter we present the main activity of persistent non-repayers and of all leavers prior to their study\(^7\) (the prior to study period). We also report the main benefit type\(^8\) received by people whose main activity prior to study was ‘on a benefit’.

The prior to study period has been defined as the six-month period which is closest to the last year of study (2006) without a tertiary enrolment.

It is possible for a person to engage in more than one activity in the prior to study period. If they were at school during this period then their main activity prior to study is ‘school students’\(^9\). If not, then their main activity prior to study is assigned using their highest income source (employment, on a benefit, or on a pension\(^10\)).

Likewise, it is possible for a person who was ‘on a benefit’ to receive more than one type of benefit. This usually happens when they are switching between benefit types, for example, from sole parent support to jobseeker support. The main benefit type was applied using the following priority: sole parent support, jobseeker support, supported living payment, and other (youth payment, emergency payment, and transitional to retirement benefit).

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\(^7\) Main activities prior to study are: school students, employed (including self-employed), on a benefit, on a pension, being overseas, other (people who received Accidental Compensation Corporation payments and parental leave payments), and unknown (with no income or overseas records).

\(^8\) Main benefit types are: sole parent support, jobseeker support, supported living payment, and other (youth payment, emergency payment and transitional to retirement benefit).

\(^9\) For further information on how ‘school students’ has been defined in Chapter 10.

\(^10\) Pension (or New Zealand Superannuation) payments are made to New Zealand citizens or permanent residents who are 65 years or older and who have lived in New Zealand for at least 10 years since they turned 20. Five of those years must have been since they turned 50.
The majority (more than 84%) of persistent non-repayers and all leavers were either ‘school students’, ‘employed’ or ‘on a benefit’ prior to study. Each of these activities, however, did not contribute equally toward the whole population of persistent non-repayers and of all leavers (Figure 12). While 38% of persistent non-repayers were ‘on a benefit’, only 18% of all leavers were. The proportion of persistent non-repayers who were ‘school students’ (17%) or ‘employed’ (29%) was lower than for all leavers (27%, 44% respectively).

Leavers whose main activity prior to study was ‘on a benefit’ or ‘on a pension’ were more likely to become persistent non-repayers than leavers who were ‘employed’. Figure 13 shows that 17% of leavers whose main activity prior to study was ‘employed’ became persistent non-repayers. This compared to 68% of leavers who were ‘on a pension’,11 53% of leavers who were ‘on a benefit' and 16% of leavers who were ‘school students’.

![Figure 12](image1.png)  
**Figure 12**  
Main activity prior to study distribution of persistent non-repayers and of all leavers

![Figure 13](image2.png)  
**Figure 13**  
Number and percentage of leavers who became persistent non-repayers by main activity prior to study

There were 3,153 persistent non-repayers ‘on a benefit’ prior to study. Of this group,12 44% received jobseeker support, 37% received sole parent support and 14% received a supported living payment.13 This compared to 44%, 41%, and 11% respectively among all leavers.

Leavers who received the supported living payment prior to study were more likely to become persistent non-repayers than those who received jobseeker support or sole parent support (68% compared to 53% and 48% respectively).

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11 Pension (or New Zealand Superannuation) payments are made to eligible New Zealand citizens or permanent residents who are 65 years or older. From 2013, student loan access for people aged 55 years and over was restricted to compulsory fees only.

12 We excluded people with unidentified benefit type from the total when calculating the proportion of each identified main benefit type. They account for 2.1% (66 people) of the 3,153 persistent non-repayers who were ‘on a benefit’ prior to study.

13 Supported living payment is a weekly payment to help New Zealand citizens and permanent residents who have or are caring for someone with a health condition, injury or disability.
In this chapter we compare persistent non-repayers and all leavers by the study characteristics of qualifications they attempted in their last year of study (2006). These characteristics include qualification level, sub-sector, completion status, and qualification level by completion status.

Qualification level

Persistent non-repayers tended to study at lower qualification levels compared to all leavers (Figure 14). That is, 80% studied below degree level, with 48% having studied Level 1–3 certificates.

As the qualification level got higher, the proportion of leavers who became persistent non-repayers decreased. Figure 15 shows over 40% of leavers who studied Level 1–3 certificates became persistent non-repayers. This compares to 12% of leavers who studied bachelors degrees. Leavers who studied below bachelors degrees were more likely to become persistent non-repayers than those who studied bachelors degrees or higher.

Note: Bachelors degrees include Level 7 graduate certificates/diplomas.

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**Sub-sector**

Figure 16 shows that while private training establishment (PTEs) was the most popular sub-sector to study at among persistent non-repayers (37%), universities was the most popular sub-sector to study at among all leavers (36%).

As shown in Figure 17, across all sub-sectors, the proportion of university leavers who became persistent non-repayers was at the lowest (12%), followed by polytechnics (26%), PTEs (37%) and wānanga (43%). Overall, leavers who studied at universities were less likely to become persistent non-repayers than those who studied at other sub-sectors.

![Figure 16](image1.png)  
*Sub-sector distribution of persistent non-repayers and of all leavers*

![Figure 17](image2.png)  
*Number and percentage of leavers who became persistent non-repayers by sub-sector*
Completion status

As shown in Figure 18, almost 70% of persistent non-repayers did not complete their qualification. This is more than double the proportion of those who completed their qualification. On the other hand, the proportion of leavers who did not complete their qualification was 1.2 times higher than for those who completed their qualification.

Figure 19 shows leavers who did not complete their qualification were more likely to become persistent non-repayers than leavers who did complete their qualification (32% compared to 17% became persistent non-repayers).

**Figure 18**
Qualification completion status distribution of persistent non-repayers and of all leavers

**Figure 19**
Number and percentage of leavers who became persistent non-repayers by qualification completion status
Qualification level by completion status

Figure 20 shows a similar pattern for both persistent non-repayers and all leavers. As the qualification level got higher, the proportion of borrowers who completed their qualification increased. At all qualification levels, the proportion of persistent non-repayers who completed their qualification was lower than that of all leavers.

At all qualification levels, leavers who did not complete their qualification were more likely to become persistent non-repayers than leavers who completed their qualification (Figure 21). The proportion of leavers who became persistent non-repayers generally declined as the qualification level increased. The only exception was at postgraduate degrees level where a higher proportion of persistent non-repayers was seen among leavers who completed postgraduate degrees.¹⁴

¹⁴ From 1 January 2013, student allowance eligibility was removed for Level 8 postgraduate qualifications and Long Programmes (other than bachelors degrees with honours).
6 POST-STUDY ACTIVITY

In this chapter we present the post-study activity of persistent non-repayers and of all leavers in the 2007/08 tax year, which is the first full tax year after the last year of study (2006). This includes:

- employment status, employment status by qualification level and by qualification completion status
- benefit status and main benefit type, benefit status by qualification level and by qualification completion status
- income.
Post-study employment

The employment status of a person has been classified using the number of months that they earned salary, wages or self-employment income in the 2007/08 tax year. If a person earned income for every month in the tax year then they are classified as ‘always employed’. Otherwise, if they earned income for some months then they are classified as ‘sometimes employed’. People who are neither ‘always employed’ nor ‘sometimes employed’ are classified as ‘never employed’. ‘Never employed’ people include those who were overseas.

Persistent non-repayers and all leavers have a very different distribution of post-study employment status (Figure 22). While ‘never employed’ was the most populated category among persistent non-repayers (47%), ‘always employed’ was the most populated category among all leavers (43%).

Figure 23 shows that while 9.4% of leavers who were ‘always employed’ become persistent non-repayers, 29% of leavers who were ‘sometimes employed’ and 45% of leavers who were ‘never employed’ did. Leavers who were either ‘sometimes employed’ or ‘never employed’ were more likely to become persistent non-repayers than those who were ‘always employed’.15

15 Student loan borrowers make automatic repayment via the PAYE system when they are employed, using a special tax code. Currently, 12 cents are deducted for every dollar earned over the repayment threshold of $19,760 per annum.
Figure 24 shows an increase in the proportion of persistent non-repayers who were ‘always employed’ as the qualification level increased. A similar pattern is seen for all leavers.

At all qualification levels, the proportion of those who were ‘never employed’ was higher among persistent non-repayers than among all leavers. Whereas the proportion of those who were ‘always employed’ was lower among persistent non-repayers than among all leavers.

As shown in Figure 25, at all qualification levels, leavers who were ‘never employed’ had the highest proportion of persistent non-repayers, followed by leavers who were ‘sometimes employed’ and leavers who were ‘always employed’. It is noticeable that the higher the qualification level, the smaller the difference between the proportion of persistent non-repayers among leavers who were ‘never employed’ and those who were ‘always employed’. Leavers who were ‘sometimes employed’ or were ‘never employed’ were more likely to become persistent non-repayers than leavers who were ‘always employed’, regardless of the qualification level.
Figure 26 shows that the proportion of persistent non-repayers who were ‘always employed’ was higher among those who completed their qualification than among those who did not complete their qualification. In contrast, the proportion of persistent non-repayers who were ‘never employed’ was lower among those who completed their qualification than among those who did not complete their qualification. Similar patterns are also seen for all leavers.

The proportion of leavers who became persistent non-repayers was higher for those who were ‘never employed’, regardless of whether they had completed their qualification or not. However, this proportion was much higher for borrowers who had not completed their qualification than those who had (Figure 27).

### Post-study benefit

The benefit status of a person has been defined using the number of months that they received a benefit in the 2007/08 tax year. If a person received a benefit for every month then they are classified as ‘always on a benefit’. Otherwise, if a person received a benefit for some months then they are classified as ‘sometimes on a benefit’. People who are neither ‘always on a benefit’ nor ‘sometimes on a benefit’ are classified as ‘never on a benefit’. A proportion of people who were ‘never on a benefit’ might be overseas.
The majority of persistent non-repayers and all leavers were ‘never on a benefit’ in the 2007/08 tax year (Figure 28). However, the proportion of people who were ‘never on a benefit’ was lower among persistent non-repayers than among all leavers (53% compared to 79%). Further, the proportion of people ‘always on a benefit’ among persistent non-repayers was almost three times higher than that among all leavers.

Leavers who were ‘sometimes on a benefit’ or ‘always on a benefit’ were more likely to become persistent non-repayers than leavers who were ‘never on a benefit’. Figure 29 shows that 74% of leavers who were ‘always on a benefit’ in the 2007/08 tax year become persistent non-repayers. This proportion reduces to 43% of those who were ‘sometimes on a benefit’ and to 17% of those who were ‘never on a benefit’.

Most of persistent non-repayers and all leavers identified as ‘always on a benefit’ or ‘sometimes on a benefit’ (about 90%) received a main benefit\(^{16}\) of either jobseeker support, sole parent support or the supported living payment.\(^{17}\) For persistent non-repayers, 45% received jobseeker support, 33% received sole parent support and 15% received the supported living payment\(^{18}\). Among all leavers, these figures were 48%, 34% and 12% respectively.

Leavers who received the supported living payment in the 2007/08 tax year were more likely to become persistent non-repayers than leavers who received jobseeker support (73% compared to 53%).

\(^{16}\) It is possible for a person to receive more than one type of benefit in the 2007/08 tax year. The main benefit type is then assigned using the following priority: sole parent support, jobseeker support, supported living payment, other (youth payment, emergency payment and transition to retirement benefit)

\(^{17}\) Supported living payment is a weekly payment to help New Zealand citizens and permanent residents who have, or are caring for someone with, a health condition, injury or disability.

\(^{18}\) When calculating proportion, people who received an ‘unknown’ main benefit type are excluded from the total.
Figure 30 shows that the proportion of persistent non-repayers who were ‘always on a benefit’ in the 2007/08 tax year decreased as the qualification level increased. On the other hand, the proportion of persistent non-repayers who were ‘never on a benefit’ increased as the qualification level increased. These patterns are also true for all leavers.

**Figure 30**
Post-study benefit by qualification level distribution of persistent non-repayers and of all leavers

As shown in Figure 31, at all qualification levels, the highest proportion of persistent non-repayers was among leavers who were ‘always on a benefit’, followed by leavers who were ‘sometimes on a benefit’ and leavers who were ‘never on a benefit’. Leavers who were ‘sometimes on a benefit’ or ‘always on a benefit’ were more likely to become persistent non-repayers than leavers who were ‘never on a benefit’.

This is not a surprise as we would expect most people who were ‘never on a benefit’ to be employed and making repayment towards their student loan.

**Figure 31**
Number and percentage of leavers who became persistent non-repayers by post-study benefit status and qualification level
Figure 32 resembles the patterns seen in Figure 28 for persistent non-repayers and all leavers, regardless of their qualification completion status.

The proportion of persistent non-repayers who were ‘never on a benefit’ was higher among those who completed than among those who did not complete their qualification. In contrast, the proportion of persistent non-repayers who were ‘always on a benefit’ was lower among those who completed than among those who did not complete their qualification. A similar pattern is also seen for all leavers.

Figure 33 shows that leavers who were ‘always on a benefit’ in the 2007/08 tax year were more likely to become persistent non-repayers than leavers who were ‘never on a benefit’.

In addition, regardless of the qualification completions status, a lower proportion of leavers who completed their qualification became persistent non-repayers compared to those who did not complete their qualification.
Post-study income

Table 1 presents the income of persistent non-repayers and all leavers in the 2007/08 tax year. Persistent non-repayers earned less than all leavers in general. Compared to all leavers, the median income of persistent non-repayers was 96% lower and the mean income was 59% lower.

Table 1
Mean and median income of persistent non-repayers and of all leavers in the 2007/08 tax year

<table>
<thead>
<tr>
<th></th>
<th>Persistent non-repayers</th>
<th>Leavers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>$9,586</td>
<td>$23,130</td>
</tr>
<tr>
<td>Median</td>
<td>$972</td>
<td>$21,627</td>
</tr>
</tbody>
</table>

Note:
1. Income includes earnings from wages, salary and self-employment.
2. All leavers and all persistent non-repayers are included.
In this chapter we present the following student loan profile characteristics of persistent non-repayers, in comparison with all leavers:

- borrowing up until the last year of study (2006) by loan component (course fees, course related costs, living costs)
- loan balance amount as at 31 March 2007, 2012, and 2017
- overdue status and overdue amount as at 31 March 2017.

**Borrowing up until the last year of study**

As shown in Figure 34, not all students borrowed all three components of the Student Loan Scheme. The most common component was course fees, borrowed by 97% of persistent non-repayers and of all leavers. Living costs was the least common component, borrowed by 54% of persistent non-repayers and 64% of all leavers.

The proportion of people who borrowed for course-related costs was higher among persistent non-repayers than among all leavers. In contrast, the proportion of living costs borrowed was lower among persistent non-repayers than among all leavers.

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The government provides living costs support to tertiary students via the Student Loan Scheme and Student Allowances Scheme. This report examines the Student Loan Scheme only.
Table 2 presents the mean, the median and the total aggregated amount of lending to persistent non-repayers and to all leavers up until their last year of study (2006). Overall, persistent non-repayers borrowed a smaller amount for all loan components. It is likely that more persistent non-repayers took shorter, lower-level courses and therefore borrowed less.

Up until the last year of study (2006), the total amount borrowed by persistent non-repayers made up 21% of the total course-fees borrowed, 24% of the total course-related costs borrowed and 16% of the total living costs borrowed.

Table 2
Mean, median and total lending to persistent on-repayers and to all leavers up until their last year of study (2006) by component

<table>
<thead>
<tr>
<th>Component</th>
<th>Persistent non-repayers</th>
<th>All leavers</th>
<th>Persistent non-repayers</th>
<th>All leavers</th>
<th>Persistent non-repayers</th>
<th>All leavers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Course fees</td>
<td>$8,910</td>
<td>$10,706</td>
<td>$2,051</td>
<td>$2,267</td>
<td>$7,019</td>
<td>$9,213</td>
</tr>
<tr>
<td>Course-related costs</td>
<td>$6,500</td>
<td>$8,371</td>
<td>$1,651</td>
<td>$2,000</td>
<td>$4,950</td>
<td>$6,300</td>
</tr>
<tr>
<td>Living costs</td>
<td>$71,482,085</td>
<td>$346,725,420</td>
<td>$13,682,837</td>
<td>$57,665,636</td>
<td>$31,388,354</td>
<td>$195,501,861</td>
</tr>
</tbody>
</table>

Note: 1. Borrowers are limited to $1,000 per loan contract for course-related costs. Some borrowers have more than one contract in a calendar year, hence the average amount borrowed for course-related costs can exceed $1,000 per borrower. 2. Only people who borrowed the specific loan component are included.

Loan balance

Table 3 presents the number and percentage of persistent non-repayers and all leavers with a loan and their average, median and total loan balance. Generally, persistent non-repayers had a smaller median loan balance than that of all leavers in any year. As at 31 March 2007, persistent non-repayers' leaving debt was over $115 million. This is 20% of the total leaving debt of all leavers.

The total loan balance of persistent non-repayers has declined over time. As at 31 March 2017, collectively they owed just over $97.7 million, or 33% of the total loan balance of all leavers.

Table 3
Number and percentage with a loan; median and total loan balance of persistent non-repayers and of all leavers

<table>
<thead>
<tr>
<th>As at</th>
<th>Persistent non-repayers</th>
<th>All leavers</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 March 2007</td>
<td>Number with a loan</td>
<td>8,280</td>
</tr>
<tr>
<td></td>
<td>Percentage with a loan</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Median loan balance</td>
<td>$9,200</td>
</tr>
<tr>
<td></td>
<td>Total loan balance</td>
<td>$115,440,278</td>
</tr>
<tr>
<td>31 March 2012</td>
<td>Number with a loan</td>
<td>8,037</td>
</tr>
<tr>
<td></td>
<td>Percentage with a loan</td>
<td>97%</td>
</tr>
<tr>
<td></td>
<td>Median loan balance</td>
<td>$9,017</td>
</tr>
<tr>
<td></td>
<td>Total loan balance</td>
<td>$110,356,486</td>
</tr>
<tr>
<td>31 March 2017</td>
<td>Number with a loan</td>
<td>6,798</td>
</tr>
<tr>
<td></td>
<td>Percentage with a loan</td>
<td>82%</td>
</tr>
<tr>
<td></td>
<td>Median loan balance</td>
<td>$9,675</td>
</tr>
<tr>
<td></td>
<td>Total loan balance</td>
<td>$97,722,679</td>
</tr>
</tbody>
</table>

Note: The median loan balance is among persistent non-repayers and all leavers who had a loan balance of $20 or more.
Persistent non-rePAYERS

Overdue at 31 March 2017

Figure 35 presents the student loan overdue status of persistent non-rePAYers and of all leavers who had a loan balance of $20 or more as at 31 March 2017. Most persistent non-rePAYers and all leavers did not have an overdue amount. However, the proportion of those without an overdue amount was higher among persistent non-rePAYers than among all leavers.

As shown in Figure 36, leavers with no overdue amount were more likely to be persistent non-rePAYers than leavers with an overdue amount. It is very likely that persistent non-rePAYers often have no repayment obligation because they remain in New Zealand with income under the repayment threshold.
Figures 35–36 and Table 4 provide more information on persistent non-rePAYERS and all leavers who had an overdue amount as at 31 March 2017.

Figure 35 shows that generally persistent non-rePAYERS had a smaller overdue amount than all leavers. About 72% of persistent non-rePAYERS had an overdue amount of $5,000 or less while only 39% of all leavers did.

The proportion of leavers who became persistent non-rePAYERS got higher as the overdue amount got lower (Figure 36). Hence, leavers with smaller overdue amounts were more likely to be persistent non-rePAYERS than leavers with higher overdue amounts.

Consistent with the data in Figures 35 and 36, Table 4 presents a lower overdue mean and median amount for persistent non-rePAYERS than for all leavers. The median overdue amount of persistent non-rePAYERS was $3,245, which is 55% lower than that of all leavers.

### Table 4

| Number with overdue amount, and the mean and median overdue amount of persistent non-rePAYERS and all leavers |
|--------------------------------------------------|--------------------------------------------------|
| **Persistent non-rePAYERS** | **All leavers** |
| Number with overdue | 660 | 4,362 |
| Percentage with overdue | 9.7% | 29% |
| Mean overdue amount | $4,364 | $10,242 |
| Median overdue amount | $3,245 | $7,158 |
8 STUDENT LOAN PROFILE BY OVERSEAS STATUS

In this chapter we present the student loan profile by overseas status in the 2016/17 tax year of persistent non-repayers, in comparison with all leavers:

- overseas status
- student loan balance by overseas status.

Overseas status in the 2016/17 tax year

Figure 37 presents the overseas status of persistent non-repayers and of all leavers who had a loan balance of $20 or more as at 31 March 2017. The majority, 95%, of persistent non-repayers were in New Zealand for all of the tax year. This compared with 68% of all leavers.

The proportion of leavers who were in New Zealand for all of the 2016/17 tax year and became persistent non-repayers was more than eight times higher than that of leavers who were overseas (Figure 38). Thus, leavers who were in New Zealand were more likely to be persistent non-repayers than those who were overseas.
Loan balance by overseas status in 2016/17

Table 5 presents the average and median loan balance of persistent non-repayers and all leavers, who had a loan balance of $20 or more as at 31 March 2017, by overseas status. The median loan balance was higher for those who were overseas than for those who were in New Zealand, for both persistent non-repayers and all leavers.

Whether living in New Zealand or overseas, persistent non-repayers had a lower median loan balance than all leavers. However, the difference was bigger for those who were overseas than for those who were in New Zealand.

Table 5
Student loan balance as at 31 March 2017 by overseas status in the 2016/17 tax year

<table>
<thead>
<tr>
<th>Overseas status</th>
<th>Persistent non-repayers</th>
<th>All leavers</th>
</tr>
</thead>
<tbody>
<tr>
<td>In New Zealand</td>
<td>6,435</td>
<td>10,179</td>
</tr>
<tr>
<td>Number</td>
<td>$14,233</td>
<td>$14,867</td>
</tr>
<tr>
<td>Mean loan balance</td>
<td>$9,562</td>
<td>$9,793</td>
</tr>
<tr>
<td>Overseas</td>
<td>363</td>
<td>4,881</td>
</tr>
<tr>
<td>Number</td>
<td>$16,904</td>
<td>$29,039</td>
</tr>
<tr>
<td>Mean loan balance</td>
<td>$11,405</td>
<td>$19,434</td>
</tr>
</tbody>
</table>

Note:
1. ‘In New Zealand’ means in New Zealand for the full tax year, ‘Overseas’ means overseas for the full tax year.
2. Only leavers and persistent non-repayers with a loan balance of at least $20 as at 31 March 2017 are included.
3. The count of leavers and persistent non-repayers who were ‘sometimes overseas’ in the tax year 2016/17 is relatively small compared to those who were in New Zealand or were overseas.
In this chapter we examine the 2017/18 tax year, which is the 11th tax year following the last year of study (2006). This is the most recent tax year with data available. We present:

- the repayment status of persistent non-repayers
- the loan balance of persistent non-repayers and of all leavers
- the main activity of persistent non-repayers who made no repayments in this tax year.

**Repayment status**

At the end of the 2017/18 tax year, of the 8,280 persistent non-repayers:

- 17% (1,371 people) fully repaid their loan
- 4.1% (336 people) had their loan written off due to bankruptcy or death
- 22% (1,791 people) were repaying.

At the end of the 2017/18 tax year, the number of persistent non-repayers with a loan balance of $20 or more has reduced to 6,573 people. Consequently, the proportion of persistent non-repayers among all leavers has decreased to 20% (from 25%).

Of the 6,573 persistent non-repayers who still had a loan balance of $20 or more, 27% (1,791 people) were making repayments in the 2017/18 tax year.

As reported earlier, 7.3% (2,439 people) of all leavers made no repayments in all 10 tax years (2007/08–2016/17). Some of these persistent non-repayers made repayments in the tax year 2017/18. This decreased the number of persistent non-repayers who made no repayments at all to 2,256 people, which is 6.7% of all leavers.

**Loan balance**

Table 6 shows that 79% of persistent non-repayers still had a loan balance of $20 or more as at 31 March 2018. This means 79% of persistent non-repayers will take more than 11 years to fully repay their loan. Collectively, persistent non-repayers owed 34% of the total loan balance.

<table>
<thead>
<tr>
<th>As at</th>
<th>Persistent non-repayers</th>
<th>All leavers</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 March 2018</td>
<td>Number with a loan</td>
<td>6,573</td>
</tr>
<tr>
<td></td>
<td>Percentage with a loan</td>
<td>79%</td>
</tr>
<tr>
<td></td>
<td>Median loan balance</td>
<td>$9,711</td>
</tr>
<tr>
<td></td>
<td>Total loan balance</td>
<td>$95,563,843</td>
</tr>
</tbody>
</table>
Main activity

It is possible for a persistent non-repayer to engage in more than one activity. If they studied at a tertiary provider in 2017 then their main activity is ‘Study’. If not, then their main activity is assigned using their highest income source (employment, on a benefit, on a pension\(^{20}\) or other\(^{21}\)). If a persistent non-repayer did not study, or had an income, then they were either overseas or had an Unknown activity.

Table 7 presents the number and percentage of persistent non-repayers who made no repayments in the 2017/18 tax year. More than 90% were living in New Zealand with a low or no income (not being overseas or in study).

Table 7
Number and percentage of persistent non-repayers who made no repayments in the 2017/18 tax year by main activity

<table>
<thead>
<tr>
<th>Main activity</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Study</td>
<td>108</td>
<td>2.3</td>
</tr>
<tr>
<td>Employed</td>
<td>294</td>
<td>6.1</td>
</tr>
<tr>
<td>Overseas</td>
<td>345</td>
<td>7.2</td>
</tr>
<tr>
<td>On a pension</td>
<td>354</td>
<td>7.4</td>
</tr>
<tr>
<td>On a benefit</td>
<td>1,803</td>
<td>37.7</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>0.2</td>
</tr>
<tr>
<td>Unknown</td>
<td>1,869</td>
<td>39.1</td>
</tr>
</tbody>
</table>

\(^{20}\) Pension (or New Zealand Superannuation) payments are made to New Zealand citizens or permanent residents who are 65 or older and who have lived in New Zealand for at least 10 years since they turned 20. Five of those years must have been since they turned 50.

\(^{21}\) ‘Other’ main activity includes people who received ACC payments and parental leave payments.
Data source

Data used in this report was sourced from the Integrated Data Infrastructure (IDI). The IDI is managed and maintained by Statistics New Zealand. It links administrative data from a range of government agencies and across a range of portfolio interests.

This report used data provided by the following three government agencies to the IDI:

- Ministry of Social Development data on borrowing under the Student Loan Scheme, and data on supported benefit and supported benefit types
- Inland Revenue data on student loan balances, student loan repayments, income and tax resident status
- Ministry of Education data on tertiary study and qualification completion.

Definitions

‘Leavers’ have been defined as student loan borrowers who last studied a recognised qualification of more than one week in duration in 2006, who did not study in any years between 2007 and 2016, and had a loan balance of at least $20 as at 31 March 2007.

‘Persistent non-repayers’ have been defined as leavers (by the definition above) who made no repayments in at least three consecutive tax years during the 10 tax years 2007/08–2016/17, and who were New Zealand-based borrowers in those tax years.

‘School students’ is one of the main activities prior to study in Chapter 4. It has been assigned to persistent non-repayers and all leavers:

- based on their recorded last secondary school year in the Single Data Return (submitted by tertiary organisation providers to the Tertiary Education Commission), or
- who were 18 year olds or younger in the period prior to study, or
- who received student allowances.

Risk ratio and the 95% confidence interval

The risk ratio, which is presented in the accompanied data table spreadsheet, refers to the ratio of the probability (risk) of being a persistent non-repayer in a group with a specific characteristic to the probability (risk) of being a persistent non-repayer in a group without that characteristic. It shows the risk of becoming persistent non-repayers in a group relatively to that of a reference group.
For example, consider the risk ratio (RR) of becoming persistent non-repayers for females compared to males.

<table>
<thead>
<tr>
<th></th>
<th>Persistent non-repayers</th>
<th>Leavers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>X1</td>
<td>N1</td>
</tr>
<tr>
<td>Male</td>
<td>X2</td>
<td>N2</td>
</tr>
</tbody>
</table>

\[
RR = \frac{X_1/N_1}{X_2/N_2} = y
\]

Compared y to 1.0:

- If \( y > 1.0 \) then compared to males, females have \( y \) times the risk of becoming persistent non-repayers. In other words, females are more likely to become persistent non-repayers than males.
- If \( y = 1.0 \) then compared to males, females have the same risk of becoming persistent non-repayers. In other words, females are just as likely as males to become persistent non-repayers.
- If \( y < 1.0 \) then compared to males, females have \( y \) times the risk of becoming persistent non-repayers. In other words, females are less likely than males to become persistent non-repayers.

We use the 95% confidence interval to statistically assess whether or not the finding is statistically significant. The formula is below:

\[
\text{exp} \left\{ \ln(RR) \pm 1.96 \sqrt{\frac{(N_1-X_1)/X_1}{N_1} + \frac{(N_2-X_2)/X_2}{N_2}} \right\}
\]

If the confidence interval crosses 1.0 (i.e.: 1.0 falls within the confidence interval) then the difference in the risk of becoming persistent non-repayers between females and males is not statistically significant. That is it could have happened by chance. Otherwise, if the confidence interval does not cross 1.0 then the difference in risk of becoming persistent non-repayers between females and males is statistically significant.
11 BIBLIOGRAPHY


12 APPENDIX

Some of the key changes in the student loan policy year-by-year since 2006 are set out in the table below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Change</th>
</tr>
</thead>
</table>
| 2006  | ‘No asset procedure debtors’ can access Student Loan Scheme but cannot have loan written off.  
New methodology introduced for setting interest rates based on the five-year average of the 10-year bond rate to December in the preceding tax year plus a margin of 0.74 percent.  
Interest rate set at 6.9 percent for 2006/07.  
Student loan interest-free policy for borrowers living in New Zealand introduced. Only overseas borrowers are liable for interest.  
Amnesty on student loan penalties offered to certain overseas borrowers. |
| 2007  | Vocational employment requirements for part-time, part-year students with a course load of between 0.25 and 0.3 EFTS units removed.  
Interest rate set at 6.8 percent for 2007/08.  
New repayment obligations and provisions for overseas-based borrowers introduced.  
Overseas-based borrowers allowed a three-year holiday from repayment obligations.  
Amnesty on penalties for overseas-based borrowers extended by one year.  
Students who undertake qualifications that do not receive student achievement component funding are no longer eligible for student loans. |
| 2008  | Interest rate set at 6.7 percent for 2008/09.  
One-off increase in student loan living cost component from $150 per week to $155 per week on 1 January 2009. Student loan living costs component indexed by inflation on 1 April 2009. Students can borrow up to $160.24 per week from 1 April 2009. |
| 2009  | Interest rate set at 6.8 percent for 2009/10.  
Voluntary repayment bonus scheme introduced. Ten percent bonus given to borrowers who make voluntary repayments toward their student loan, totalling $500 or more in a tax year. This policy applied to payments received on or after 1 April 2009. |
<table>
<thead>
<tr>
<th>Year</th>
<th>Change</th>
</tr>
</thead>
</table>
| 2010 | Increase in the borrowing limit for student loan living costs. Maximum students can borrow per week raised to $163.38 from 1 April 2010.  
Interest rate set at 6.6 percent for the 2010/11 tax year.  
The repayment threshold was set at $19,084. |
| 2011 | Loan establishment fee (formerly known as the administration fee) increased from $50 to $60.  
Annual administration fee of $40 was introduced to student loans on loan balances held by IR after completion of study, with the first fee was charged at the end of the 2011/12 tax year.  
Two-year stand-down period for Australian citizens and New Zealand permanent residents before being eligible to receive a student loan. For a transitional period an exemption from the two year stand-down was available on compassionate grounds, to students who would have suffered disproportionately as a result of this change.  
On completion of 1.6 EFTS units (approximately two years of study) academic performance is calculated to determine students’ eligibility for continued access to the loan scheme. A student must pass at least half of their study load (measured in EFTS).  
A 7 equivalent full-time student (EFTS) units life-time limit was introduced with possible exceptions up to an overall maximum of 10 EFTS (plus any study required to complete a course that goes over the 7 EFTS limit) to support higher-level study. |
| 2012 | Exemption to the two-year stand-down for new permanent residents was extended to sponsored family members of ‘protected persons’ (under the Immigration Act 2009).  
Part-time, full-year students were no longer able to borrow through the student loan scheme for course related costs.  
The automatic three-year repayment holiday for overseas borrowers was reduced to a one-year application-based repayment holiday. Borrowers are also required to provide or confirm contact details for an alternative New Zealand-based contact.  
From 1 April 2012, New Zealand-based borrowers were no longer able to use business and investment losses to reduce their repayment obligation in respect of their student loan.  
From 1 January 2012 student association membership became voluntary. Student association fees were no longer included in the compulsory fee component of a student loan. |
<table>
<thead>
<tr>
<th>Year</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2013</strong></td>
<td>Student loan access for people aged 55 years and over was restricted to compulsory fees only. New pilot training students starting study on or after 1 January 2013 are limited to borrowing up to $35,000 per EFTS unit from the compulsory fees component of the student loan. All students applying for a new student loan are required to nominate a New Zealand-based contact person. A 2 EFTS annual student loan borrowing limit was introduced. From 1 January 2013, changes to the way the cost of lending was calculated in the Student Loan Scheme. From 7 February 2013, borrowers who has overdue payments amounting to $500 or more and had been in default for one or more years were not eligible to access the Student Loan Scheme. From 1 April 2013 the voluntary repayment bonus scheme was repealed. From 1 April 2013, the student loan repayment rate increased from 10 cents to 12 cents in every dollar earned over the repayment threshold. The information match between Inland Revenue and the New Zealand Customs Service was extended to identify student loan borrowers in serious default.</td>
</tr>
<tr>
<td><strong>2014</strong></td>
<td>Adjusted access to the Student Loan Scheme for fees-free foundation level study. From 1 January 2014, the stand down period for permanent residents increased to three years. From 1 April 2014: - the definition of income for student loan repayment purposes was broadened to include income from trusts and other sources - an information-sharing agreement between Inland Revenue and Internal Affairs was put in place - fixed repayment obligations and two new repayment thresholds for overseas-based borrowers were introduced. - the ability to arrest non-compliant borrowers about to leave the country was introduced.</td>
</tr>
<tr>
<td><strong>2015</strong></td>
<td>CPI adjustments to the student loan repayment threshold continue to be suspended until 1 April 2017.</td>
</tr>
<tr>
<td>Year</td>
<td>Change</td>
</tr>
<tr>
<td>------</td>
<td>--------</td>
</tr>
<tr>
<td>2016</td>
<td>Eligible graduate-entry students in long undergraduate programmes in medicine, optometry, dentistry and veterinary science are able to apply for an extra 1 EFTS of student loan support on top of the 7 EFTS they were already able to access. This extra 1 EFTS was previously only available to help graduate students complete post-graduate qualifications. Graduate-entry medical students were also able to be paid the Medical Trainee Intern Grant as a lump sum at the beginning of their final year so that they can use it to pay their fees if needed. Previously, this grant was paid monthly. An information exchange with the Australian Taxation Office was introduced. This allows Inland Revenue to receive up-to-date details of student loan borrowers residing in Australia.</td>
</tr>
<tr>
<td>2017</td>
<td>New Zealanders studying overseas for part of a New Zealand qualification at an NZTEO are eligible for student loans, with some exclusions. For study starting on, or after, 1 January 2017:&lt;ul&gt;&lt;li&gt;New Zealand permanent residents must:&lt;ul&gt;&lt;li&gt;be studying in an unfamiliar country&lt;/li&gt;&lt;li&gt;not be enrolled in extramural study.&lt;/li&gt;&lt;/ul&gt;&lt;/li&gt;&lt;/ul&gt;For study at an overseas campus or delivery site of a NZTEO, New Zealand citizens and permanent residents (who meet the above criteria) must:&lt;ul&gt;&lt;li&gt;be studying in a specified country in Asia, Latin America, or the Middle East (as listed on the Education New Zealand website)&lt;/li&gt;&lt;li&gt;study is at a qualification listed at level 7 or above on the New Zealand Qualifications Framework&lt;/li&gt;&lt;li&gt;be undertaking full-time and face-to-face (i.e. not extramural) study and part of their qualification must be completed in New Zealand.&lt;/li&gt;&lt;/ul&gt;From 21 February 2017 the student loan interest exemption for full-time study was extended to recipients (and eligible partners) of Government-funded scholarships. The repayment threshold for the 2017/18 tax year was increased to $19,136 per annum or $368 per week (having been frozen at $19,084 since the 2010/11 tax year).</td>
</tr>
<tr>
<td>2018</td>
<td>From 1 January 2018, the maximum student loan living cost entitlement increased by $50 a week. The Government’s first-year Fees-Free for new learners was introduced from 1 January 2018.</td>
</tr>
<tr>
<td>2019</td>
<td>From 1 January 2019, students in long undergraduate programmes (medicine, dentistry, optometry and veterinary science) will be able to apply for an additional three EFTS of student loan on top of the seven EFTS life time limit (10 EFTS in total). This replaces the one EFTS extension granted to graduate entry students in long under graduate programmes in 2016.</td>
</tr>
</tbody>
</table>