

Student Loans and Allowances: 2012

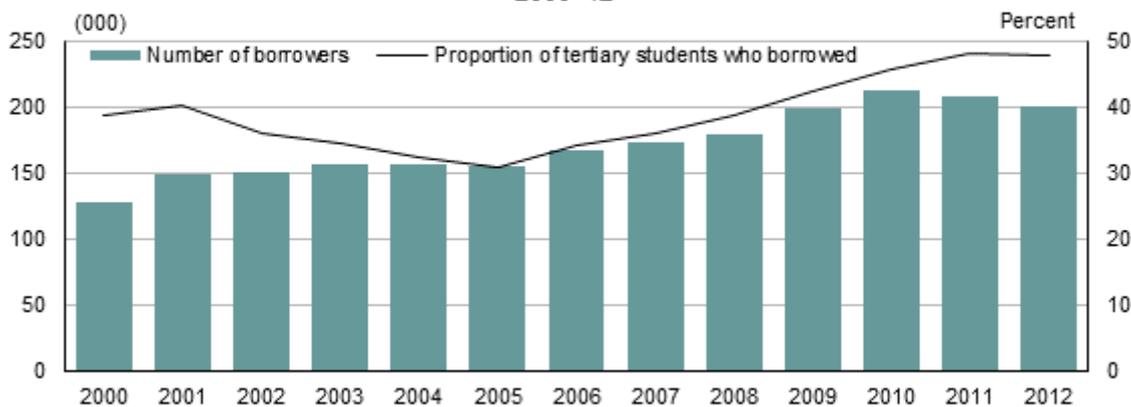
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Key facts

In 2012, compared with 2011:

- Tertiary enrolments decreased to 421,764 – down from 430,392.
- 201,180 tertiary students took out a student loan – down from 207,315.
- The average amount borrowed in a year was \$7,820 – up 2.5 percent.
- 94,953 students received a student allowance – down 2.1 percent.

Student loan borrowers and proportion of students who borrowed
2000–12



Source: Statistics New Zealand

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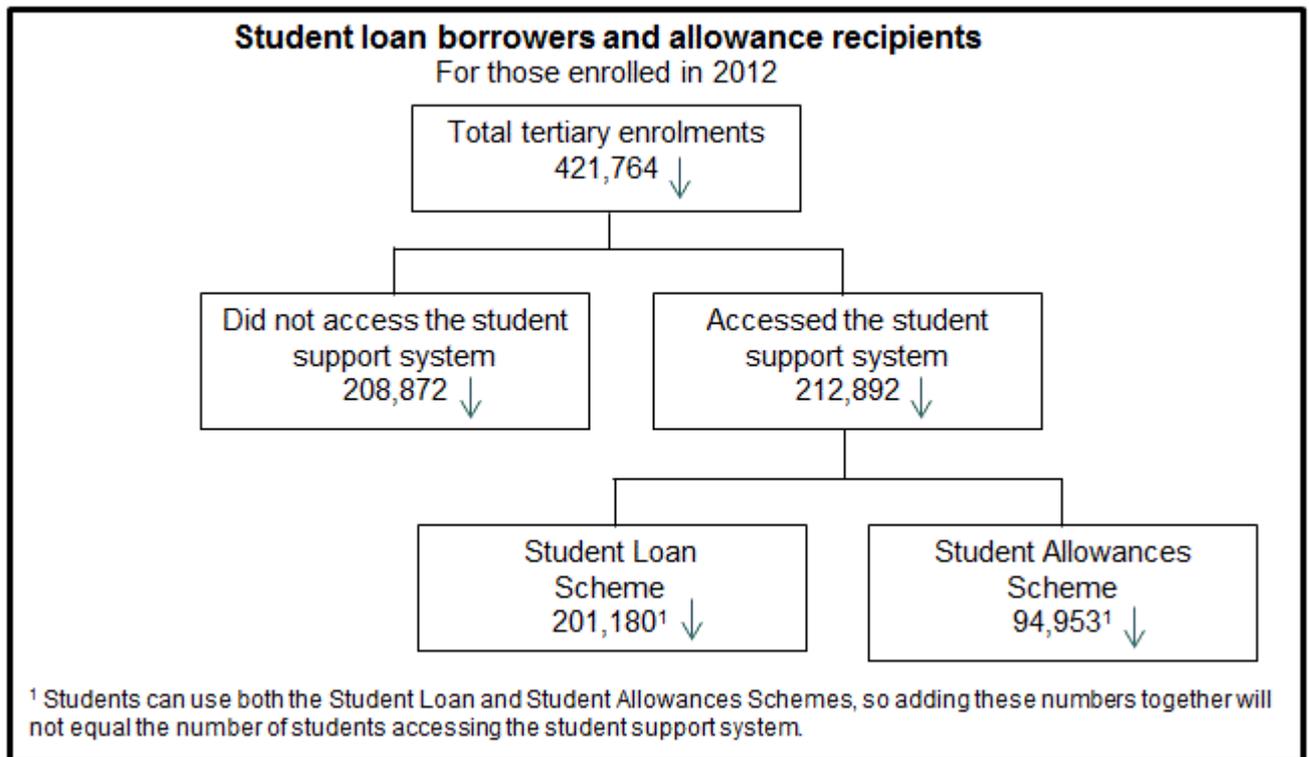
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Commentary

- Uptake of student loans decreases in 2012
- Average amount borrowed in a year continues to get bigger
- Number of student allowance recipients decreases

The information in this release covers students who accessed the student support system (ie the Student Loan Scheme and the Student Allowances Scheme) while participating in tertiary education.

See the definitions section for more details.



Student Loan Scheme

Uptake of student loans decreases in 2012

The number of students taking out a student loan decreased 3.0 percent in 2012, leading to a decrease in the proportion of tertiary students using the Student Loan Scheme. This is the first year since the introduction of interest-free student loans that the proportion has not increased.

The number of students enrolled in tertiary study continued to decrease, down 2.0 percent from 2011.

There were fewer borrowers aged 55 to 59 (down 16.6 percent) and 60 years and over (down 32.8 percent). This decrease occurred before a rule change to borrowing for living costs and course-related costs. From 1 January 2013, borrowers aged 55 and over were eligible to borrow for course fees only.

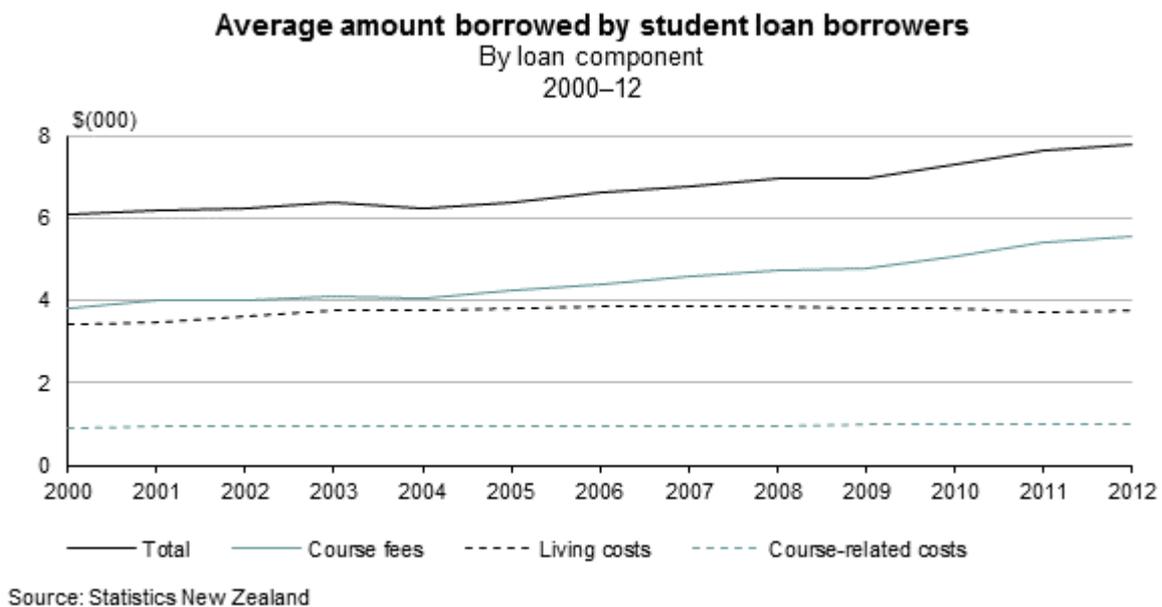
Ethnic groups with the largest falls in borrower numbers, relative to other groups, were:

- other ethnicity (down 9.3 percent)
- Asian (down 6.0 percent)
- Māori (down 5.4 percent).

Average amount borrowed in a year continues to get bigger

The Student Loan Scheme has three components: course fees, course-related costs, and living costs. The average total amount borrowed in a year continued to increase in 2012, up 2.5 percent to \$7,820. Course fees contributed the most to this increase.

Since 2005, the average amount borrowed has increased every year.



Student Allowances Scheme

Number of student allowance recipients decreases

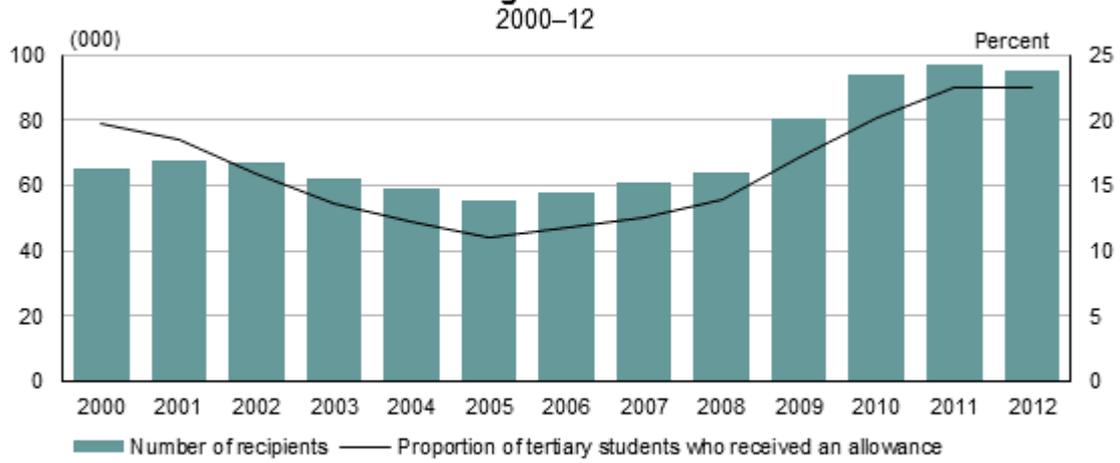
The Student Allowances Scheme provides financial support to students that does not need to be repaid. Eligibility to receive a student allowance is determined by a number of financial factors, such as age and parental income.

In 2012, compared with 2011:

- the number of students who received a student allowance decreased 2.1 percent, to 94,953
- the proportion of students who received a student allowance remained unchanged: 22.5 percent.

This is the first year since 2005 that the proportion of students receiving an allowance has not increased, which could reflect a number of changes in eligibility criteria that took effect in the years leading up to and including 2012. See [StudyLink](#) for more information.

Student allowance recipients and proportion of students receiving an allowance



Source: Statistics New Zealand

For more detailed data, see the Excel tables in the 'Downloads' box.

Definitions

About the Student Loans and Allowances release

We have data on the following variables, which is available on request:

- borrowing in a year
- new borrowers
- leaving debt
- repayments
- income after leaving study
- borrowers who have repaid their loan in full
- allowance received in a year.

Statistics NZ's integrated data on student loans and allowances is part of our Integrated Data Infrastructure. This data allows the educational characteristics of student loan borrowers and student allowance recipients to be linked with the details of their loans, allowances, and income.

The linking methodology we use in the IDI is an improvement on the methodology we used in the old student loans and allowances integrated dataset. The IDI links new data from the Ministry of Education, StudyLink, and Inland Revenue to take advantage of revisions and updated data. This means that all data in previous releases has been revised.

Student loan: Students can borrow funding to help pay for course fees, course-related costs, and living costs. Students are expected to repay the amount borrowed when they earn over the income threshold. To qualify for a student loan, certain criteria must be met.

Student allowance: Weekly payment to help students with living expenses while studying. This payment does not need to be paid back. However, strict criteria need to be met (eg parental and personal income thresholds) for a student to qualify for an allowance.

[See StudyLink for details on these criteria.](#)

The borrowing and debt referred to in this release relates only to borrowing under the Student Loan Scheme. It does not include bank overdrafts, personal bank loans, loans from parents and family, credit card debt, or hire purchases.

More definitions

Economic variables

Amount borrowed: the amount borrowed from the Student Loan Scheme by a student in a particular calendar year (not the total amount borrowed by the student over all years of study).

Amount received: the amount received as student allowance by a student in a calendar year (not the total amount received by the student over all years of study). This does not need to be paid back.

Leaving debt: the total debt still owing in March following the last year of study. This includes those who had \$0 debt on leaving. For example, if a student last studied in 2001, their leaving debt is their debt in March of 2002. This data will always be a year behind the release date. For

example, in the 2012 dataset on student loans and allowances, leaving debt data is only available for those who left study up to 2011 and did not return the following year.

Debt five years post-study: the total debt still owing in March five years after the last year of study. This includes those who had \$0 debt five years post-study. For example, for those who last studied in 2006, their debt five years post-study is their debt remaining in March 2012.

Income one year post-study: the taxable income earned in the tax year after leaving study. This excludes those with \$0 income. For example, for students who left study in 2006, their one year post-study income is that in the 2007/08 tax year.

Income five years post-study: the taxable income earned in the tax year five years after leaving study. This excludes those with \$0 income. For example, for students who left study in 2006, their five-year post study income is in the 2011/12 tax year.

New borrower: the number of students using the Student Loan Scheme for the first time. Counts of new borrowers are based on the first year of borrowing recorded on the Student Loan Accounts Manager, Ministry of Social Development, or the Inland Revenue system.

Demographic characteristics in this release

Age group: the person's age at 1 July in the year they left study.

Ethnicity: derived from all available sources contained within Statistics NZ's Integrated Data Infrastructure. A person is included in an ethnic group if any data source contains a record of the person identifying as that ethnicity. A person may be represented in more than one ethnic group. 'Unknown ethnicity' refers to individuals that have not indicated an ethnicity.

Leaving cohort: the year of leaving is determined by the last year an enrolment record is available. Given that some students may return after taking a break from study, leaving cohorts for more recent years may overstate the number of leavers.

Study-related variables

Leaving year: the last year of study for a student, which does not distinguish those who completed their qualification from those who did not. For example, if a student last studied in 2001, then the student is considered to have left study in 2001 and their leaving year is 2001. Completion status, field of study, level, and provider type during the student's last year of study were assigned to their debt, income, and repayment.

Completion status: a student's completion status is determined by whether they have had a qualification awarded within two years of leaving study, at the same or higher level of study as that studied in their final year.

Where a student has a 'completed' status, the level of study, field of study, and provider type relate to the qualification completed. Where a student has a status of 'not completed', the level of study, field of study, and provider type relate to the highest level of study in their final year.

Where a student studied towards, or completed, more than one qualification at the highest level of study in their final year, information about both is included.

Graduate: a student who has left study and has a status of 'completed'. This differs from a leaver, which is any student who has left study (no distinction is made between those who

completed their qualification and those who did not).

Level of study: the qualification(s) for which the student was enrolled. Unless specified, this does not distinguish those who completed their qualification from those who did not. A student can be enrolled in more than one level of study; therefore they can be counted in more than one level in the table. Where this relates to their final year of study, only their highest level of study is used.

Loan components

Course fees: students can borrow the full amount of the compulsory fees charged for tuition by public and private tertiary education providers. These are direct-credited to the borrower's chosen tertiary education provider.

Course-related costs: students can borrow up to \$1,000 each year per loan account for additional expenses associated with tertiary study that are not compulsory. These can include costs such as equipment, textbooks, and field trips.

Living costs: full-time students are eligible for weekly living costs for each week of the course, less any student allowance. Students nominate the amount they wish to draw each week up to the maximum entitlement (\$172.51 per week for the 2011/12 tax year. This is adjusted each year to account for inflation).

Related links

Upcoming releases

Student Loans and Allowances: 2013 is scheduled to be released in December 2014.

[Subscribe to information releases](#), including this one, by completing the online subscription form.

[The release calendar](#) lists all our upcoming information releases by date of release.

Past releases

See [Student Loans and Allowances](#) for links to past information releases.

Related information

[Student Loans and Allowances: 2005](#) has further information on the history of the dataset, matching methodology, and student loans policy list.

[Student Loan Scheme Annual Report: 2012](#) provides across-agency information published by the Ministry of Education.

[Student loan quarterly reports](#), from Inland Revenue, has information on student loan amounts owed for a particular quarterly period.

[StudyLink statistics](#), from the Ministry of Social Development, has information on loans, allowances, and scholarship payments.

Data quality

- [Time periods covered by the student loans and allowances data](#)
- [Integrated dataset](#)
- [Differences between all student loan borrowers and those in the release](#)

Time periods covered by the student loans and allowances data

The student loans and allowances data provides statistics from the earliest point at which information is available. Due to the nature and source of data, statistics start from different years:

- 1992 – leaving debt, debt five years post-study, and full repayment information is available for those who left study from 1992 onwards
- 1995 – income information is available from 1995 onwards
- 1997 – information on ethnicity, field of study, level of study, completion status, and full provider type is available from 1997 onwards
- 2000 – the amount borrowed in loans or received in allowances in a particular calendar year is available from 2000 onwards

The most-recent data available for each release is for the previous calendar year. This reflects the time required to include income data for salary and wage earners and for those who are self-employed.

Integrated dataset

We produce student loans and allowances data using Statistics NZ's Integrated Data Infrastructure (IDI). The IDI is a linked longitudinal dataset that covers an extended range of pathways and transitions information. The IDI allows for policy evaluation and research analysis, and the production of statistical outputs on the transitions and outcomes of people, including the student loans and allowances release. The student loans and allowances information includes data from the following sources:

- individual students' tertiary enrolment and completion data from the Ministry of Education (MoE)
- individual students' borrowing data from the now-defunct student loan account manager (SLAM) provided by Inland Revenue and the MoE
- individual students' borrowing and allowance data (from 1999 onwards for allowances, and 2000 onwards for loans) from StudyLink, a service of the Ministry of Social Development
- individuals' loan balance, repayment, and income data from Inland Revenue
- demographic information.

The IDI currently contains economic, education, justice, health and safety, migration, and business data.

See [Integrated Data Infrastructure](#) for more information on the IDI.

Differences between all student loan borrowers and those in the release

Users should be aware that official statistics on student loans are also published in the annual report of the Student Loan Scheme, published each year by the MoE, and in other MoE reports.

The official statistics on student loan borrowers included in this information release may differ from those published in the annual report. This is because the source administrative data was provided to Statistics NZ at a specified cut-off date, which differs from the one used for the annual report. In addition, the tables in this release use different populations from those in the annual report, and different concepts for those populations.

For example, the data on leaving debt produced by Statistics NZ includes those who leave study with \$0 leaving debt (having repaid their loan while studying), whereas MoE may exclude those who leave with \$0 debt.

The use of probabilistic matching significantly increased the percentage of student loan borrowers whose information was included in the integrated dataset. However, some types of student loan borrowers were still under-represented, even after both stages of matching were completed. Due to the absence of data from the MoE's dataset on students attending private training establishments (PTE) before 2000, the link rate of PTE students before 2000 was around 47 percent. From 2000 onwards, the link rate rose to 89 percent.

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Tables

The following tables are available in Excel format from the 'Downloads' box. If you have problems viewing the files, see [opening files and PDFs](#).

1. Tertiary enrolments and number of students accessing the student support system
2. Student loan borrowers and average amount borrowed, by ethnicity
3. Student loan borrowers and average amount borrowed, by age group
4. Average amount borrowed by loan component
5. Student allowance recipients and average amount received, by ethnicity