Impact of the New Zealand Fees-Free Tertiary Education Policy

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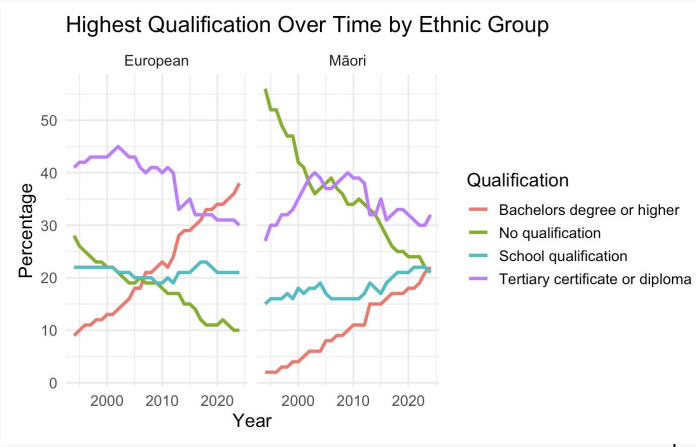
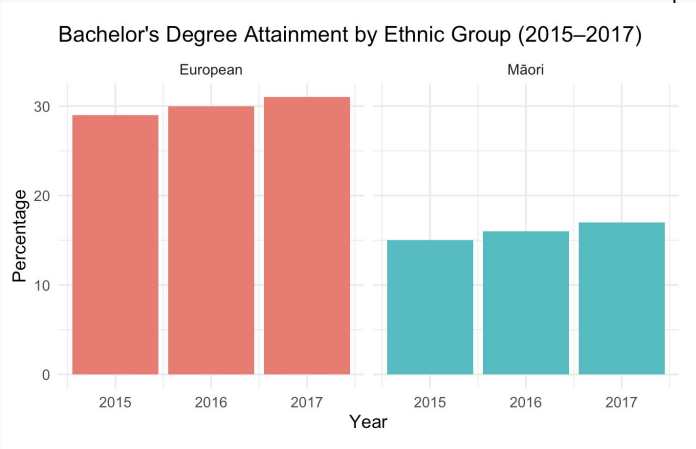
Background

- January 1st, 2018: New Zealand government implemented the *Fees-Free Tertiary Education* policy, granting all citizens with a free first-year of tertiary education
- Primary goal: reduce financial barriers to education for domestic students, particularly indigenous Māori and Pacific Islanders
- Mixed response: wise investment or exacerbator of inequality?
- January 1st, 2025: policy repealed, movement to replace with Fees-Free for the *final* year of tertiary education





Literature Review

- Situated within a large, international body of economic literature on factors influencing tertiary enrollment and degree attainment
- Analyses on the New Zealand Fees-Free policy are largely conceptual or qualitative in nature
- *Zero-fee policy: making tertiary education and training accessible and affordable for all? (Nikula & Matthews, 2018)*
- *What a Difference a Year Makes: Fees-Free Policy and University Students in Aotearoa New Zealand (Sotari, Thompson & Maguire, 2020)*
- Informal media commentaries offer mixed support

Fees-free tertiary study: How it could hurt those it's meant to help

Brittany Keogh
February 25, 2019 · 1:06pm

Rangatahi | Education

Budget 2024: Students prefer first year fees free to final year

Thursday, May 30, 2024 • By Daniel Perese

The Failed Fees Free Policy in New Zealand

January 25, 2024 | Alex Usher

Data & Methodology

- Government institution Education Counts provides statistics on: annual tertiary enrollment records, degree completion status, age, gender ethnicity (Māori , Pasifika, Asian, European, etc.) + Stats NZ provides data on labour market indicators
- Clean single-year introduction of the policy (1st January 2018) supports event-study design

$$Enrollment_{it} = \alpha + \beta_1 \, Post2018_t + \sum_r \gamma_r \, Race_{i,r} + \sum_r \delta_r \, (Post2018_t \times Race_{i,r}) + X_{it} + \varepsilon_{it}. \quad (1)$$

$$DegreeCompletion_{it} = \alpha + \beta_1 \, Post2018_t + \sum_r \gamma_r \, Race_{i,r} + \sum_r \delta_r \, (Post2018_t \times Race_{i,r}) + X_{it} + \varepsilon_{it}. \quad (2)$$