

Evidence from New Zealand school-leaver cohorts

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1 Introduction

In 2018, New Zealand made the **first year of tertiary study free** for new students.

Fiscal cost ≈ \$300–350 million a year

about \$60 for every New Zealander, every year — covering 40,000–65,000 learners.

Yet there is **no national causal estimate** of the policy's effect on participation and other student outcomes. This study fills that gap.

2 Research questions

1 Participation

Did more people enrol?

2 Programme

A shift from sub-degree to Bachelor's?

3 Progression

Better retention & completion?

4 Equity

Did socioeconomic gaps shrink?

3 Data & design

Stats NZ IDI · 5 school-leaver cohorts (2015–2019) · N ≈ 250,000

Design: compare cohorts before vs after Fees-Free. **2016** = last untreated reference; **2017** = first eligible cohort (entering study in 2018).

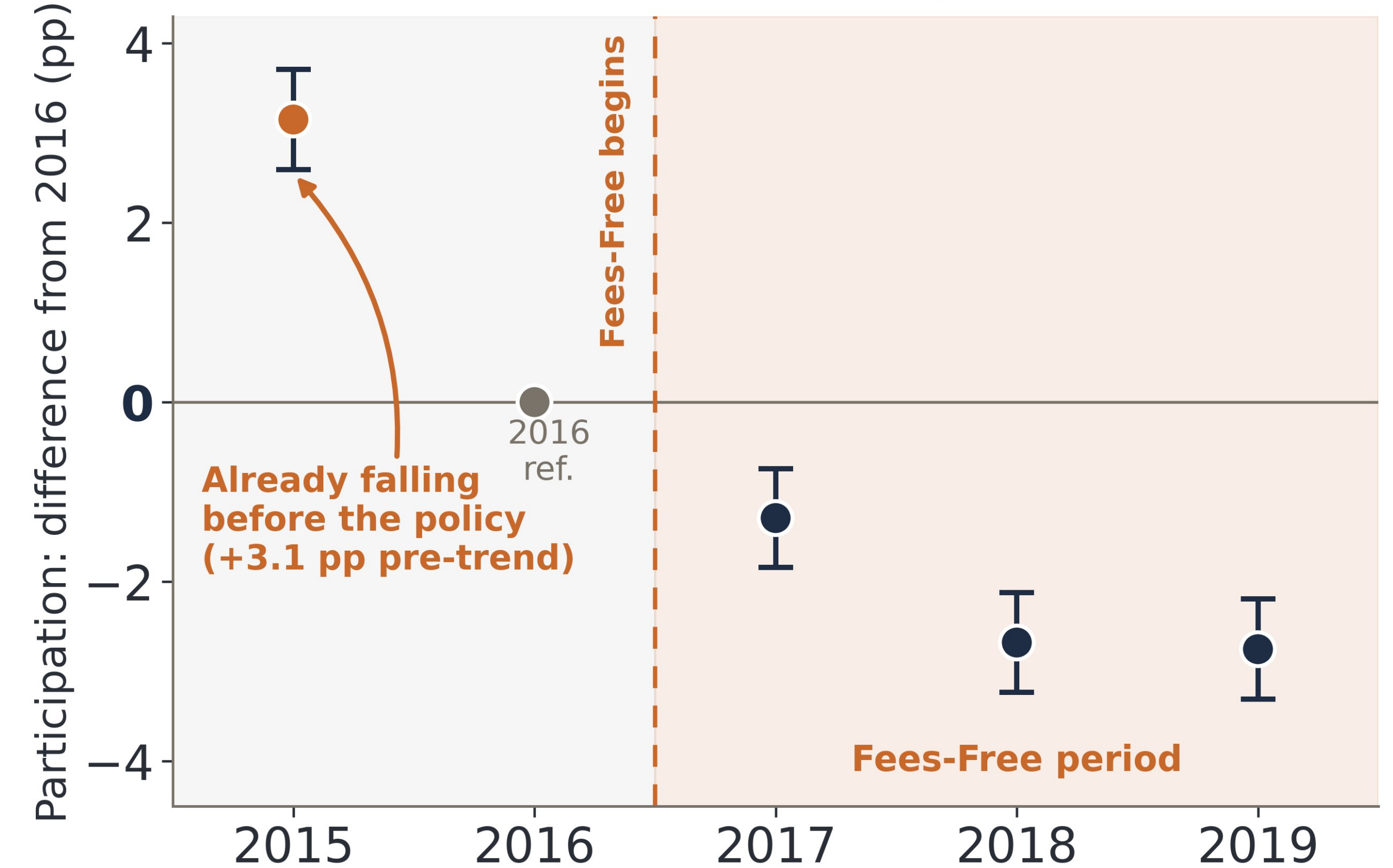
Key issue: participation was already falling beforehand, so we adjust for the pre-existing cohort trend.



2016 is the last untreated reference; 2017 is the first Fees-Free cohort.

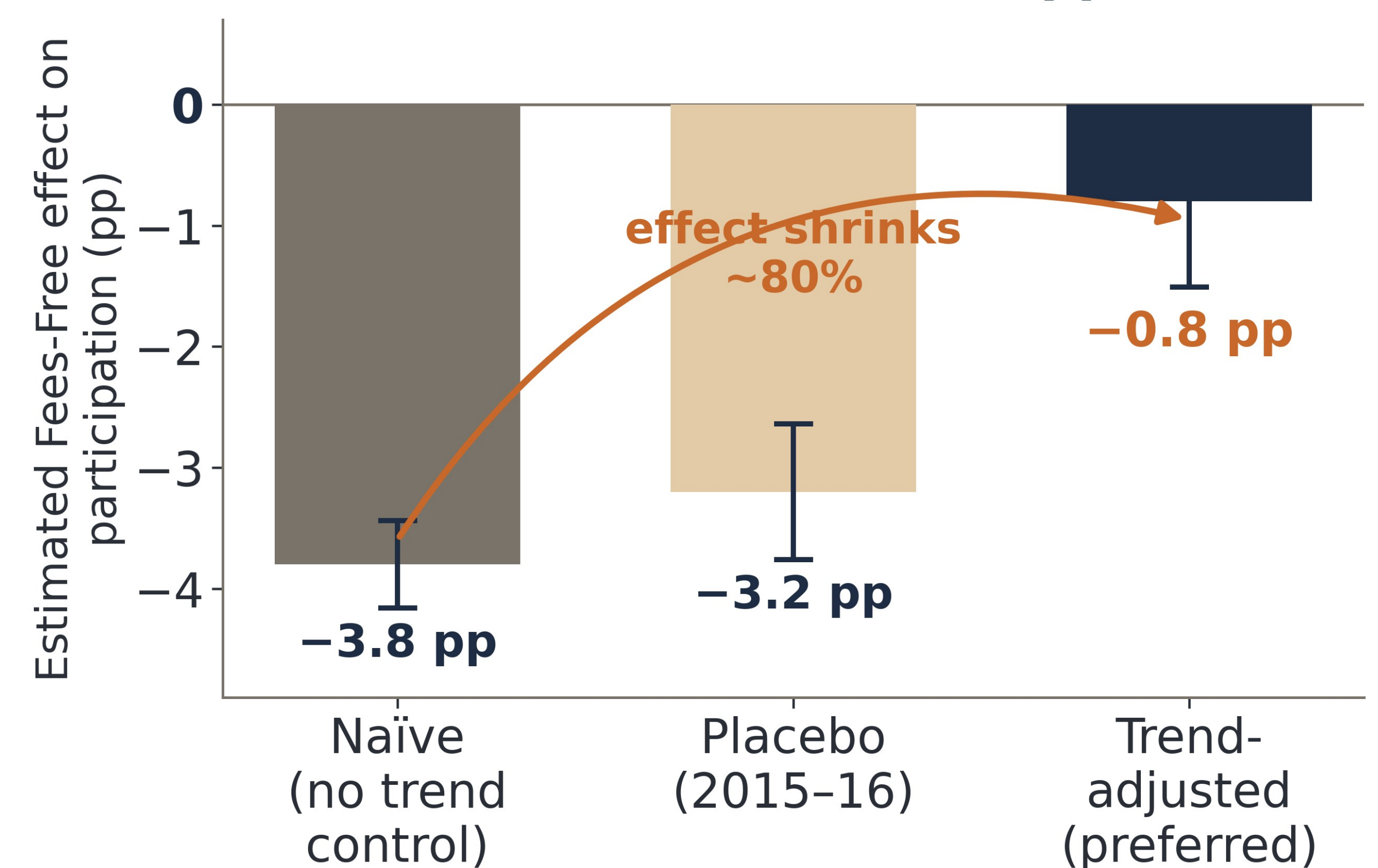
4.1 What we find: participation

1 Did more people enrol? No — but there is a pre-trend



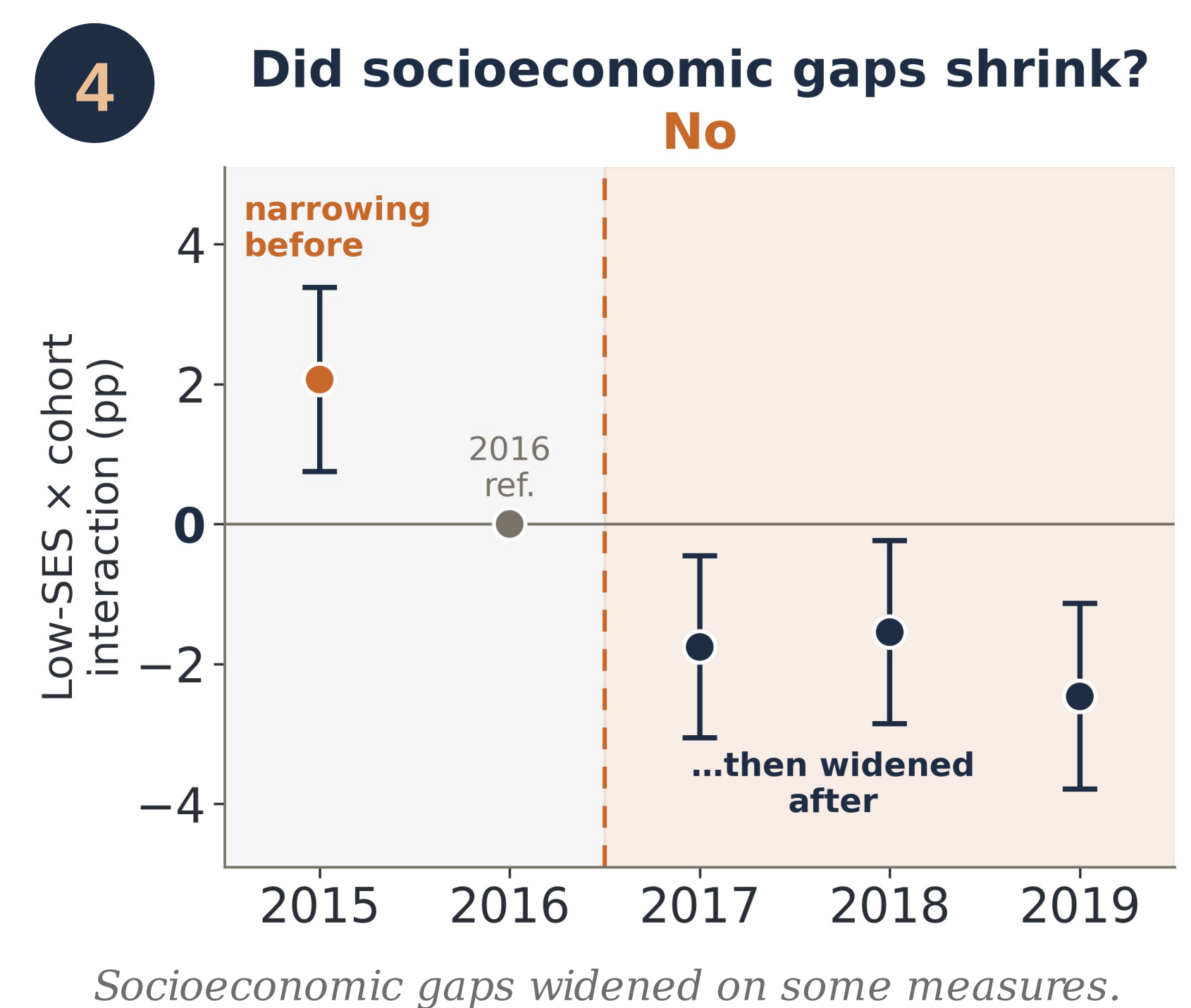
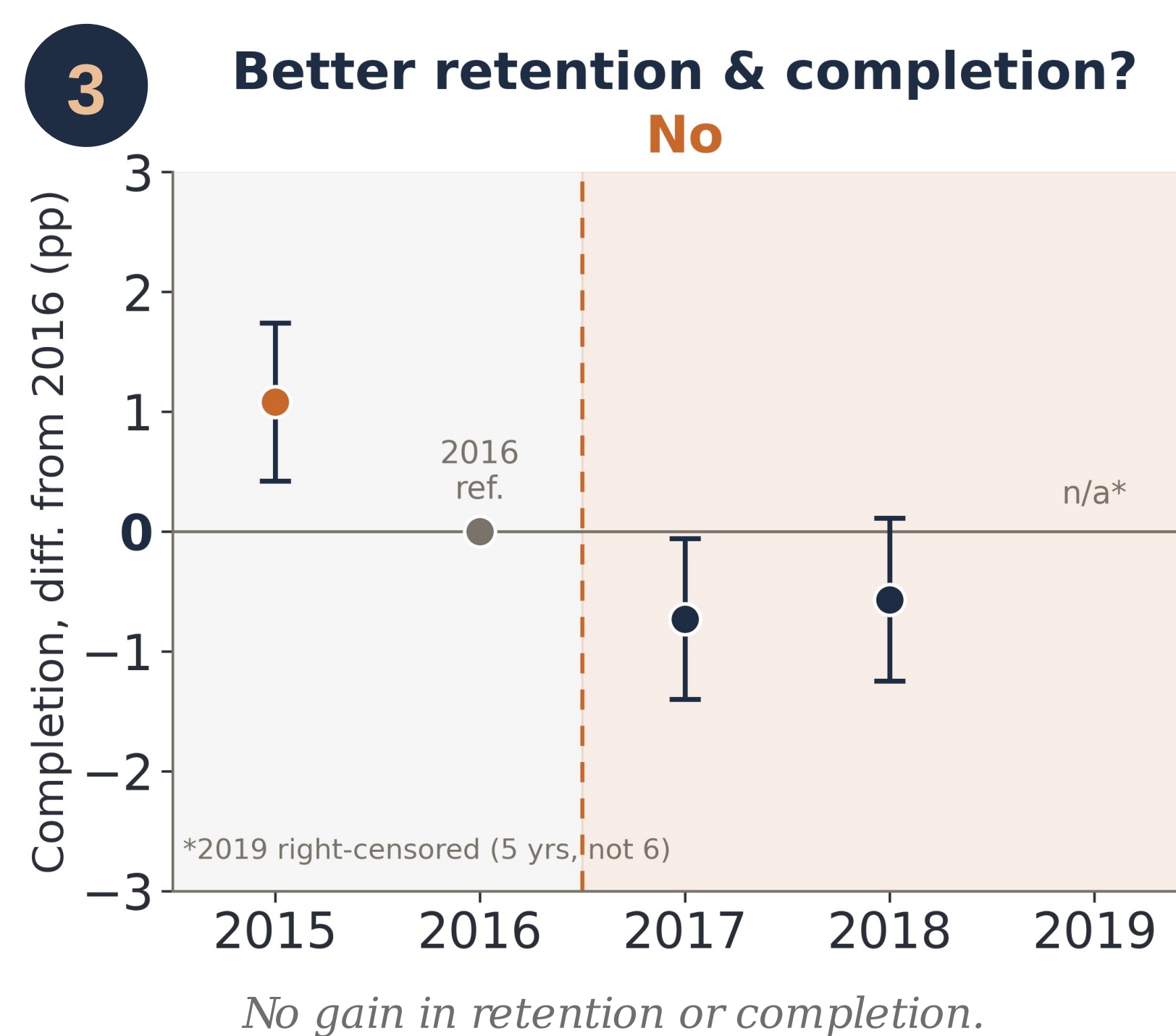
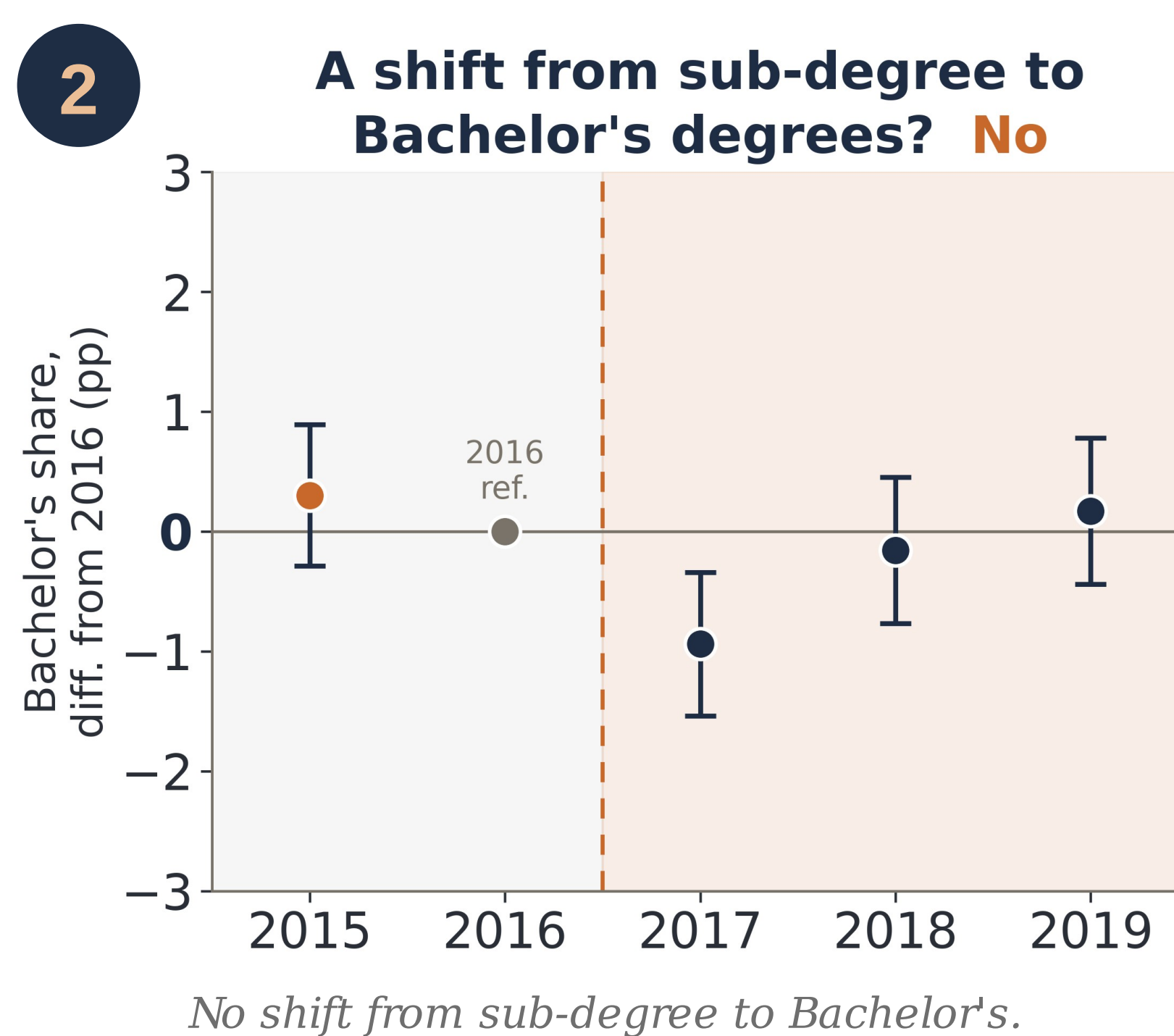
Participation was already falling before Fees-Free: it dropped 3.1 pp between the 2015 and 2016 cohorts — a naïve before/after comparison would mislead.

Net of the pre-trend? Still no effect (–0.8 pp)



After adjusting for the pre-existing trend, the estimated effect shrinks by ~80% (–3.8 → –0.8 pp). No evidence that Fees-Free increased participation.

4.2 Other outcomes — programme, progression, equity



5 Conclusions

KEY MESSAGE

In New Zealand, tuition was already financed through interest-free student loans.

This meant most students did not have to pay tuition fees upfront.

Fees-Free may have reduced future debt, but it did not appear to remove a binding barrier to participation.



Scan for the paper

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Disclaimer: These results are not official statistics. They have been created for research purposes from the Integrated Data Infrastructure (IDI), which is carefully managed by Stats NZ. For more information about the IDI please visit stats.govt.nz/integrated-data. The results are the work of the authors, not Stats NZ.