

## Tertiary Education Report: August 2019 Fees-Free Enrolment Update

<b>Date:</b>	20 November 2019	<b>TEC priority:</b>	Medium
<b>Security level:</b>	In Confidence	<b>Report no:</b>	B-19-01340
		<b>Minister's office No:</b>	

ACTION SOUGHT		
	Action sought	Deadline
<b>Hon Chris Hipkins</b> Minister of Education	<p><b>Note</b> the tertiary sector's fees-free enrolment data as at August 2019;</p> <p><b>Note</b> the Tertiary Education Commission has provided data on standard enrolments in a separate briefing [B-19-01339]; and</p> <p><b>Agree</b> for the TEC to proactively release this briefing in due course.</p>	At your earliest convenience
<b>Enclosure:</b> No	<b>Round Robin:</b> No	

CONTACT FOR TELEPHONE DISCUSSION (IF REQUIRED)			
Name	Position	Telephone	1st contact
Gillian Dudgeon	Deputy Chief Executive, Delivery	Section 9(2)(a)	✓

THE FOLLOWING DEPARTMENTS/AGENCIES HAVE SEEN THIS REPORT						
<input type="checkbox"/> DPMC	<input type="checkbox"/> MPI	<input type="checkbox"/> ENZ	<input type="checkbox"/> ERO	<input type="checkbox"/> MBIE	<input checked="" type="checkbox"/> MoE	<input type="checkbox"/> MFAT
<input type="checkbox"/> MPP	<input type="checkbox"/> MSD	<input type="checkbox"/> NZQA	<input type="checkbox"/> NZTE	<input type="checkbox"/> TEC	<input type="checkbox"/> TPK	<input type="checkbox"/> Treasury

**Minister's Office to Complete:**

<input type="checkbox"/> Approved	<input type="checkbox"/> Declined
<input type="checkbox"/> Noted	<input type="checkbox"/> Needs change
<input type="checkbox"/> Seen	<input type="checkbox"/> Overtaken by Events
<input type="checkbox"/> See Minister's Notes	<input type="checkbox"/> Withdrawn

**Comments:**

## Recommendations

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**Hon Chris Hipkins**, Minister of Education

*It is recommended that you:*

1. **note** the tertiary sector's fees-free enrolment data as at August 2019;
2. **note** the Tertiary Education Commission has provided similar data on standard enrolments in a separate briefing [B-19-01339]; and
3. **agree** to proactively release this briefing.

**AGREED / NOT AGREED**



**Gillian Dudgeon**

Deputy Chief Executive, Delivery  
Tertiary Education Commission

20 November 2019

**Hon Chris Hipkins**

Minister of Education

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## Purpose

1. This paper provides you with an update of fees-free enrolments as at August 2019 for all tertiary education organisations (TEOs) and makes comparisons to enrolments as at August 2018.
2. The figures will differ to end-of-year 2018 and other 2019 data, which can change due to wash-up payments from learner appeals or additional learner eligibility information, reconciliation of the Student Data Return (SDR) and Industry Training Register (ITR), and further data validations.

## 52,330 learners were enrolled in fees-free eligible qualifications as at August 2019

3. There were 52,330 unique eligible students or trainees (learners) enrolled in eligible qualifications up to August 2019, who received a financial benefit from fees-free. This number is a count of learners who received a financial benefit for the first time in 2019 and learners who have carried over from 2018, excluding 690 multi-enrolments or learners enrolled in more than one TEO.
4. Since the Fees Free policy was introduced on 1 January 2018, around 89,000 learners have received a financial benefit from fees-free (approximately 47,000 for the full 2018 calendar year and approximately 42,000 as at August 2019).
5. Between January and August 2019, Tertiary Education Commission (TEC) paid (inclusive of GST) approximately \$279 million for fees-free enrolments, including \$165 million to universities, \$61 million to institutes of technology and polytechnics (ITPs), \$45 million to private training establishments (PTEs), and \$8 million to industry training organisations (ITOs).
6. Table 1 shows the number of enrolments from learners who received a financial benefit from fees-free as at August 2019. As per 2018 trends, the majority of enrolments continue in universities (49%) and ITPs (27%).

**Table 1: Number of enrolments from learners who received a financial benefit from fees-free for August 2019**

August 2019 enrolments			
Tertiary Education Organisation Type	Learners new in 2019	Learners carried over from 2018	Total number of learners
Universities	22,604	3,201	25,805
Institutes of Technology & Polytechnics	11,361	2,808	14,169
Wānanga	145	14	159
<b>Total Tertiary Education Institutions</b>	<b>34,110</b>	<b>6,023</b>	<b>40,133</b>
Private Training Establishments	5,961	844	6,805
<b>Total Tertiary Education Providers</b>	<b>40,071</b>	<b>6,867</b>	<b>46,938</b>
Industry Training Organisations	2,874	3,208	6,082
<b>Total Tertiary Education Organisations</b>	<b>42,945</b>	<b>10,075</b>	<b>53,020</b>
<b>Excluding multi-enrolments</b>			<b>690</b>
<b>Total number of unique students and trainees</b>			<b>52,330</b>

7. Table 2 compares the number of new learner enrolments that received a financial benefit from fees-free from August 2018 to August 2019. The number of enrolments from new learners has slightly increased by 645 learners (from 42,300 in August 2018 to 42,945 in August 2019).
8. While analysing the unique new learners in August 2018 to August 2019 we have identified some changes in the age group demographics. New learners aged 17 and under have increased by 71% while new learners aged 25-39 decreased by 14%. All other age groups remained fairly static.

9. The increase in new learners aged 17 and under may be due to changes made to fees-free eligibility criteria [SWC-18-Min-0101 refers]. We will provide further analysis around these demographic changes in the December 2019 Fees-Free Enrolment Update.
10. There were also some changes in enrolments within the sub sectors.
- There was a 12.5% (661) increase in enrolments in PTEs; this is similar to the trend in the April 2019 fees-free enrolment update.
  - Enrolments in ITOs increased by 10.5% (274). The largest increases were at Building and Construction Industry Training Organisation Incorporated, Competenz, and Primary Industry Training Organisation.
  - Enrolments in universities decreased slightly by 3.8% (-896).

**Table 2: Number of enrolments in August 2018 and August 2019 from new learners who received a financial benefit from fees-free<sup>12</sup>**

Tertiary Education Organisation Type	August 18 enrolments	August 19 enrolments	Variance in enrolments	Percentage variance
	Learners new in 2018	Learners new in 2019		
Universities	23,500	22,604	-896	-3.8%
Institutes of Technology & Polytechnics	10,800	11,361	561	5.2%
Wānanga	100	145	45	45%
<b>Total Tertiary Education Institutions</b>	<b>34,400</b>	<b>34,110</b>	<b>-290</b>	<b>-0.8%</b>
Private Training Establishments	5,300	5,961	661	12.5%
<b>Total Tertiary Education Providers</b>	<b>39,700</b>	<b>40,071</b>	<b>371</b>	<b>0.9%</b>
Industry Training Organisations	2,600	2,874	274	10.5%
<b>Total Tertiary Education Organisations</b>	<b>42,300</b>	<b>42,945</b>	<b>645</b>	<b>1.5%</b>

11. As noted in our previous briefings, the number of wānanga learners financially benefiting from fees-free is relatively low compared to other sub sectors as:
- many of the students enrolling at wānanga are older learners who are more likely than younger learners to have prior tertiary study and therefore are ineligible for fees-free.
  - there are many programmes offered at the wānanga that were “fees free” prior to the introduction of the fees-free policy.

## The demographic makeup of fees-free learners is unchanged

12. For this paper we have broken down the high level ethnic groups previously reported into New Zealand’s major ethnic groups and compared new fees-free learners in August 2018 and August 2019. Where learners can identify with more than one ethnic group, they are counted in each applicable group. The proportions of people belonging to each ethnic group therefore do not add up to 100 percent.
13. August 2019 new learners show a similar demographic trend to learners as at August 2018. The majority of learners receiving a fees-free financial benefit in August 2019 identify with being European (70%). This is followed by Māori at 17%, Asian at 14% and then Pacific People at 11%.

<sup>1</sup> Includes multi-enrolments or learners enrolled in more than one TEO.

<sup>2</sup> Please note care should be taken when comparing totals in this table as 2018 figures are rounded to the nearest 100 while 2019 figures are not.

14. The majority of fees-free learners enrol at a university or ITP. This trend is present across all ethnic groups.

**Table 3: Ethnicity breakdown for new fees-free learners as at August 2018 <sup>3</sup>**

Subsector	New Learners Aug 2018					
	European	Māori	Asian	Pacific	MELAA	Unknown
Universities	38%	7%	11%	6%	2%	1%
Institutes of Technology & Polytechnics	20%	5%	2%	2%	1%	0%
Wānanga	0%	0%	0%	0%	0%	0%
Private Training Establishment	8%	3%	1%	2%	0%	0%
Industry Training Organisations	4%	1%	0%	0%	0%	0%
<b>Total</b>	<b>69%</b>	<b>16%</b>	<b>14%</b>	<b>11%</b>	<b>2%</b>	<b>1%</b>
<b>Learner count</b>	<b>29,255</b>	<b>6,870</b>	<b>5,997</b>	<b>4,576</b>	<b>1,016</b>	<b>456</b>

**Table 4: Ethnicity breakdown for new fees-free learners as at August 2019 <sup>3</sup>**

Subsector	New Learners Aug 2019					
	European	Māori	Asian	Pacific	MELAA	Unknown
Universities	37%	7%	11%	5%	2%	0%
Institutes of Technology & Polytechnics	20%	6%	2%	3%	1%	0%
Wānanga	0%	0%	0%	0%	0%	0%
Private Training Establishments	8%	3%	1%	3%	0%	0%
Industry Training Organisations	5%	1%	0%	0%	0%	0%
<b>Total</b>	<b>70%</b>	<b>17%</b>	<b>14%</b>	<b>11%</b>	<b>2%</b>	<b>0%</b>
<b>Learner count</b>	<b>29,730</b>	<b>7,271</b>	<b>6,011</b>	<b>4,767</b>	<b>1,040</b>	<b>191</b>

## Caveats of the data

15. Overall, the data used was compiled specifically to respond to this question. It uses administrative data collected by the TEC for the purposes of funding tertiary education. Care should be taken when making comparisons with other data collected or compiled for other purposes.
16. The analysis above reflects TEO reporting received for August 2019 and learner eligibility as at 15 October 2019. All provider data relates to claims for the full year of study. ITO data relates to an enrolment in a fees-free eligible programme.
17. Learners who have not received a financial benefit in 2019 but have consumed some or all of their fees-free entitlement in EFTS (provider based study) or funded months (ITO training) are excluded from this analysis.
18. The figures may change following the completion of:
- Further reconciliations to the August 2019 SDR and ITR
  - Any further reviews requested by a TEO of their data and/or payment allocation (there are current reviews underway)

<sup>3</sup> Tables 3 and 4 have been calculated using SDR and ITR data. Learners have been excluded where we do not hold any demographic information. These figures may differ from the number of learners who have financially benefited from fees-free.

- c) Any further reviews requested by learners of their eligibility status.

### **Caveats for ethnicity data**

19. Learners can be counted up to three times if they have disclosed three ethnicities and thus can be counted more than once. We have not included totals for this reason.

## **We will continue to update you on 2019 enrolments after the December 2019 SDR**

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20. In consultation with the MoE, we have split out fees-free reporting to better align with their fees-free monitoring framework. The TEC will report to you on:

- enrolment information aligned to our three reporting periods (April, August and December), including in-year demographic information
- fee allocations and payments aligned to our three reporting periods for the current year (April, August and December)
- any information relating to the eligibility of learners, including detail on statutory declarations.

21. We are seeking your agreement for the TEC to proactively release this document. This will enable us to better respond to information and data requests.