

Tertiary Education Report: December 2020 Fees-Free Enrolment Update

Date:	2 June 2021	TEC priority:	Medium
Security level:	In Confidence	Report no:	B-21-00279
		Minister's office No:	

ACTION SOUGHT		
	Action sought	Deadline
Hon Chris Hipkins Minister of Education	<p>Note the tertiary sector's fees-free enrolment data as at December 2020;</p> <p>Note the Tertiary Education Commission has provided data on SDR and ITR enrolments in a separate briefing [B-21-00132]; and</p> <p>Agree for the TEC to proactively release this briefing in due course.</p>	At your earliest convenience
Enclosure: No	Round Robin: No	

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

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 checked="" type="checkbox"/> TEC	<input type="checkbox"/> TPK	<input type="checkbox"/> Treasury	
Minister's Office to Complete: <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Approved <input type="checkbox"/> Noted <input type="checkbox"/> Seen <input type="checkbox"/> See Minister's Notes </div> <div style="width: 45%;"> <input type="checkbox"/> Declined <input type="checkbox"/> Needs change <input type="checkbox"/> Overtaken by Events <input type="checkbox"/> Withdrawn </div> </div>							
Comments: 							

Recommendations

Hon Chris Hipkins, Minister of Education

It is recommended that you:

1. **note** the tertiary sector's fees-free enrolment data as at December 2020;
2. **note** the Tertiary Education Commission has provided data on SDR and ITR enrolments in a separate briefing [B-21-00132]; and
3. **agree** to proactively release this briefing.

AGREED / NOT AGREED



Gillian Dudgeon

Deputy Chief Executive, Delivery
Tertiary Education Commission

2 June 2021

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 December 2020 for all tertiary education organisations (TEOs) and makes comparisons to enrolments as at December 2019.
2. The figures will differ to end-of-year 2019 and other 2020 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.

Summary

3. There were 57,030 learners who received a financial benefit from Fees Free in 2020.
4. In 2020, 42,870 new learners accessed fees-free for the first time and 14,165 learners carried over their fees-free entitlement from 2018 and 2019. In comparison, there were 47,040 new learners and 11,120 carry-over learners in 2019.
5. There has been a decline in students benefiting from Fees Free from 2019 to 2020, which is likely due to the Targeted Training and Apprenticeship Fund (TTAF), introduced on 1 July 2020. From 1 July 2020 until 31 December 2022, all apprentices who would have been covered by Fees Free are now covered by the TTAF. Additionally, fees-free eligible learners in sub-degree level TTAF qualifications are also covered from 1 July 2020, instead of through Fees Free.
6. Ethnicity demographics remained unchanged from previous years, with most learners identifying as European (69%), followed by Māori (18%), Asian (14%) and Pacific Peoples (12%). There were, however, shifts in age demographics, with learners aged 25 years-old and over showing the largest decreases from 2019. Learners aged 25 to 39 years-olds decreased by 25.3% from 2019, and learners aged 40 years and over decreased by 25.7%.
7. Between January and December 2020, 9,570 learners received a financial benefit from both Fees Free and TTAF. This number reflects students who were eligible for fees-free at the beginning of the year, and became eligible for TTAF from July 2020.

57,030 fees-free eligible learners were enrolled as at December 2020

8. There were 57,030 fees-free eligible students or trainees (learners) enrolled up to December 2020, 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 2020 and learners who have continued their studies and carried over their entitlement from 2018 or 2019, excluding 535 multi-enrolments or learners enrolled in more than one TEO.¹
9. Since the Fees Free policy was introduced on 1 January 2018, around 137,000 learners have received a financial benefit.
10. Between January and December 2020, Tertiary Education Commission (TEC) paid (inclusive of GST) approximately \$276² million for fees-free enrolments, including \$170 million to universities, \$56 million to Te Pūkenga³, \$44 million to private training establishments (PTEs), and \$5 million to Transitional Industry Training Organisations (Transitional ITOs).

¹ All learner values in this briefing have been rounded to the nearest 5. Due to rounding, underlying values may not add up exactly to total values.

² Dollars values have been rounded to the nearest million. Due to rounding, underlying values may not add up exactly to total values.

³ Te Pūkenga stood up on 1 April 2020, and brings together 16 Institutes of Technology and Polytechnics (ITPs) into one organisation.

11. Table 1 shows the number of enrolments from learners who received a financial benefit from fees-free as at December 2020. The majority of enrolments continue to be in universities (52%) and Te Pūkenga (28%), as seen in 2018 and 2019.

Table 1: Number of enrolments from learners who received a financial benefit from fees-free (as at December 2020)¹

Tertiary Education Organisation Type	December 2020 enrolments		
	Learners new in 2020	Learners carried over	Total number of learners
Te Pūkenga	12,135	3,690	15,825
Universities	22,475	3,540	26,015
Wānanga	435	120	555
Total Tertiary Education Institutions	35,045	7,345	42,390
Private Training Establishments	6,250	1,365	7,615
Total Tertiary Education Providers	41,295	8,715	50,005
Transitional Industry Training Organisations	2,015	5,545	7,560
Total Tertiary Education Organisations	43,310	14,260	57,565
Excluding multi-enrolments	440	95	535
Total number of unique learners	42,870	14,165	57,030

12. Overall, the average financial benefit for each new fees-free learner was approximately \$5,900⁴. The average financial benefit was highest in the universities subsector, at \$7,100 per new learner, followed by PTEs at \$6,500, Te Pūkenga at \$4,000, Wānanga at \$800 and Transitional ITOs at \$700.

There were fewer new Fees Free eligible enrolments in 2020

13. The number of new Fees Free eligible enrolments as at December 2018 and December 2019 was steady at around 48,000 each year. In December 2020, the number of new learner enrolments decreased to 43,310, down 4,595 from 47,905 in December 2019. This differed from the total tertiary sector, which showed similar levels of enrolments in 2019 and 2020 [B-21-00132 refers].
14. This represents a decrease of 9.6% in new fees-free eligible enrolments. Please refer to paragraphs 21-25 for an explanation of how the introduction of TTAF may have contributed to the decrease.
15. Table 2 compares the number of enrolments from new learners who received a financial benefit from fees-free in December 2019 to December 2020.

⁴ Average financial benefit in dollars values have been rounded to the nearest hundred. Due to rounding, underlying values may not add up exactly to total values.

Table 2: Number of enrolments in December 2019 and December 2020 from new learners who received a financial benefit from fees-free^{1, 5}

Tertiary Education Organisation Type	December 2019	December 2020	Variance in enrolments	Percentage variance
	enrolments	enrolments		
Te Pūkenga	12,265	12,135	-130	-1.1%
Universities	22,855	22,475	-380	-1.7%
Wānanga	155	435	280	180.6%
Total Tertiary Education Institutions	35,275	35,045	-230	-0.7%
Private Training Establishments	7,075	6,250	-825	-11.7%
Total Tertiary Education Providers	42,355	41,295	-1,060	-2.5%
Transitional Industry Training Organisations	5,555	2,015	-3,540	-63.7%
Total Tertiary Education Organisations	47,905	43,310	-4,595	-9.6%

16. Although there was an increase in new learner enrolments at wānanga, the number of wānanga learners financially benefiting from fees-free is relatively low compared to other subsectors 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 remains unchanged

17. Table 3 breaks down the ethnicity for new learners in 2020⁶.

18. New learners in 2020 largely show similar demographic trends to learners in 2018 and 2019. As at December 2020, the majority of learners receiving a fees-free financial benefit identify as European (69%). This is followed by Māori at 18%, Asian at 14% and then Pacific Peoples at 12%.

Table 3: Ethnicity breakdown for new fees-free learners as at December 2020⁷

Subsector	New Learners December 2020						
	European	Māori	Asian	Pacific	MELAA	Other	Unknown
Te Pūkenga	72%	23%	7%	11%	2%	2%	1%
Universities	71%	13%	20%	10%	3%	2%	0%
Wānanga	31%	74%	4%	24%	0%	1%	1%
Private Training Establishment	56%	25%	9%	22%	2%	3%	1%
Transitional Industry Training Organisations	74%	18%	4%	6%	2%	1%	4%
Total	69%	18%	14%	12%	3%	2%	1%

⁵ Includes multi-enrolments or learners enrolled in more than one TEO.

⁶ A learner may identify with more than one ethnicity and will be counted in each ethnicity they identify with. The proportions of people belonging to each ethnic group do not add up to 100 percent.

⁷ Table 3 has 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.

19. The number of learners aged over 40 years-old decreased by 25.7% in the same period when compared to December 2019, while learners aged 25 to 39 decreased by 25.3%. This may reflect the higher proportion of learners aged over 25-years-old enrolled in TTAF eligible programmes [B-21-00132 refers].
20. In contrast, the number of learners aged under 25-years-old decreased by 15.8%. This age group accounts for 91% of all fees-free learners as at December 2020, up from 89% in December 2019.

The introduction of TTAF has reduced the number of learners benefitting from Fees Free

21. The TTAF supports learners to undertake vocational education and training without fees. TTAF covers fees for learners from 1 July 2020 for all apprenticeships and a range of training programmes at sub-degree level. The decrease in new fees-free benefitting learners within industry training and some provider-based provision at sub degree level is likely due to the introduction of TTAF.
22. The impact of TTAF on fees free enrolments is most evident in the 63.7% decrease in fees-free eligible learners reported by Transitional ITOs. This is due to large numbers of industry training programmes (including all apprenticeships) being eligible for TTAF funding. For enrolments from July 2020 until December 2022, learners completing apprenticeships will no longer be covered by Fees Free. All apprenticeships and most traineeships will be covered by TTAF.
23. The decrease at PTEs (-11.7%) may also be due to the proportion of TTAF eligible sub-degree level programmes on offer. Universities are less affected by TTAF as the majority of their learners are enrolled above sub-degree level.
24. While TTAF was introduced part way through the 2020 academic year, fees-free was operational for the full year. Some learners have therefore appeared in both fees-free and TTAF. As at December 2020, 9,570 learners who had financially benefitted from fees-free in 2020 were enrolled in a TTAF eligible programme on or after 1 July 2020. Overall, students benefitting from both Fees Free and TTAF represented 17% of fees-free learners.
25. The full impact of TTAF on Fees Free numbers will be evident in 2021, when TTAF has been operational across the full period. We expect that the number of learners who could have financially benefited from Fees Free, but are instead receiving a financial benefit from TTAF, will be higher in 2021.

Data caveats

26. The analysis above reflects TEO fees-free reporting received for December 2020 and learner eligibility as at 6 May 2021. All provider data relates to claims for the full year of study. Transitional ITO data relates to an enrolment in a fees-free eligible programme.
27. Learners who have not received a financial benefit in 2020 but have consumed some or all of their fees-free entitlement, in EFTS (provider based study) or funded months (industry based training), are excluded from this analysis.

We will update you following the April 2021 SDR

28. We will provide you with a fees-free enrolment update following completion of the April 2021 SDR and reconciliation of the fees-free data submitted by providers.