

Tertiary Education Report: April 2022 Fees-Free and TTAF Enrolment Update

Date:	19 July 2022	TEC priority:	Medium
Security level:	In Confidence	Report no:	B-22-00355
		Minister's office No:	

ACTION SOUGHT		
	Action sought	Deadline
Hon Chris Hipkins Minister of Education	<p>Note the tertiary sector's fees-free and Targeted Training and Apprenticeship Fund (TTAF) enrolment data as at April 2022;</p> <p>Note the Tertiary Education Commission has provided data on April 2022 enrolments in a separate briefing [B-22-00264]; 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

- DPMC
 MPI
 ENZ
 ERO
 MBIE
 MoE
 MFAT
 MPP
 MSD
 NZQA
 NZTE
 TEC
 TPK
 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 Withdrawn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

Hon Chris Hipkins, Minister of Education

It is recommended that you:

1. **note** the tertiary sector's fees-free and Targeted Training and Apprenticeship Fund (TTAF) enrolment data reported as at April 2022;
2. **note** the Tertiary Education Commission has provided data on April 2022 enrolments in a separate briefing [B-22-00264]; and,
3. **agree** to proactively release this briefing.

AGREED / NOT AGREED



Gillian Dudgeon

Deputy Chief Executive, Delivery
Tertiary Education Commission

19 July 2022



Hon Chris Hipkins

Minister of Education

03 / 08 / 2022

Purpose

1. This paper provides you with an update of fees-free and Targeted Training and Apprenticeship Fund (TTAF) enrolments reported as at April 2022 for all tertiary education organisations (TEOs), and makes comparisons to enrolments in previous periods as outlined below:
 - a. Fees-free April 2022 enrolments are compared to enrolments as at April 2021.
 - b. TTAF enrolments are cumulative from the start of TTAF in July 2020 to April 2022.
2. The figures will differ to end-of-year 2021 and other 2022 data, which can change due to wash-up payments from fees-free learner appeals or additional learner eligibility information, and new qualifications/programmes being reviewed or added to the list of TTAF eligible programmes, reconciliation of the Student Data Return (SDR) and Industry Training Register (ITR), and further data validations.
3. Enrolments for Fees Free are cumulative and increase from January to December during the calendar year. The figures used include enrolments between January and April 2022.

Summary

4. Overall, Fees Free and TTAF initiatives have supported more than 208,100 and 209,200 learners respectively since they were each introduced, up to April 2022.
5. There were 35,370 learners who benefited from Fees Free between January and April 2022.
 - a. Of these, 28,350 were new learners who accessed Fees Free for the first time and 7,020 learners carried over their fees-free entitlement from previous years.
 - b. Age demographics shifted slightly with learners aged under 25 representing 94% of fees-free learners in April 2022, up from 93% in April 2021.
 - c. Ethnicity demographics of fees-free learners stayed mostly the same, with most learners identifying as European (71%), followed by Asian (17%, up from 15%), Māori (16%), and Pacific peoples (11%).
 - d. Female learners represented 60% of fees-free learners, while males represented 39% of fees-free learners.
6. Compared with April 2021, the total number of learners enrolled in fees-free fell by 4,305 learners (-11%).
7. Since the TTAF initiative was introduced, 209,240 learners have been supported by TTAF.
 - a. Most of these learners were enrolled in the *Construction* target area (64,790 learners or 31% of all TTAF learners), followed by *Community support* (40,210 learners or 19%) and *Primary Industries* (37,855 learners or 18%).

Background: Fees Free and TTAF

8. Fees Free was introduced on 1 January 2018 for first-time tertiary students or trainees in their first year of provider-based study or first two years of industry training. It is intended to support learners with their fees funding capped at \$12,000 (including GST) per learner.

9. On 1 July 2020, the TTAF was introduced to cover fees for learners in all apprenticeships and a range of sub-degree level programmes¹. It targets industry areas that are expected to grow, or where more skills are needed as New Zealand recovers from the social and economic impacts of COVID-19.
10. Following the introduction of TTAF, all apprenticeships and a range of sub-degree level programmes that would have been covered by Fees Free are now covered by the TTAF. This has contributed to decreases in fees-free enrolments, particularly in the transitional-ITO subsector (B-21-00219 refers).
11. Fees Free and TTAF have different eligibility focuses: Fees Free eligibility is learner-focused and is intended to support first-time students and trainees. TTAF eligibility is programme-focused and is targeted toward programmes within specific industry areas, regardless of whether its learners have previously enrolled in tertiary education.
12. Note that first-time learners retain their fees-free entitlement if they are supported by TTAF. This means that learners may enrol in programmes covered by TTAF for the duration of the TTAF initiative and may still redeem their fees-free entitlement for their first year(s) of non-TTAF funded study.

In 2022, 35,370 fees-free eligible learners were enrolled as at April 2022

13. Overall, there were 35,370 fees-free eligible students or trainees (learners) enrolled up to April 2022, who received a benefit from fees-free in 2022. This number is a count of learners who received a benefit for the first time in 2022 and learners who have continued their studies and carried over their entitlement from 2018 to 2021. This count excludes 95 multi-enrolments or learners enrolled in more than one TEO.
14. Since the fees-free policy was introduced on 1 January 2018, around 208,150 learners have received a benefit.
15. Between January and April 2022, Tertiary Education Commission (TEC) paid (inclusive of GST) approximately \$220 million² for fees-free enrolments, including \$164 million to universities, \$30 million to Te Pūkenga³, and \$26 million to private training establishments (PTEs).
16. Overall, the average financial benefit for each fees-free learner was approximately \$6,200⁴ in 2022. The average financial benefit was highest in the PTEs at \$8,000 per learner (up from \$6,100 in 2021) followed by the university subsector, at \$6,600 (unchanged), Te Pūkenga at \$4,300 (down \$100), wānanga at \$600 (down \$300)⁵, and transitional-ITOs at \$500 (unchanged).
17. Table 1 shows the number of enrolments from learners who received a benefit from fees-free as at April 2022.

¹ Target areas covered under TTAF include the following areas: All apprenticeships, Community support, Construction, Electrical Engineering, Manufacturing and mechanical engineering and technology, Primary Industries, and Road Transport. New and expanded TTAF target areas eligible from 1 January 2021 included conservation, information technology and an expanded scope within community support.

² Dollars values have been rounded to the nearest million. Due to rounding, underlying values may not add up exactly to total values. Note that TEC paid wānanga and transitional-ITO subsectors less than one million.

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

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.

⁵ Note that wānanga and transitional-ITOs tend to have lower course costs in comparison to the other subsectors.

Table 1: Number of enrolments from learners who received a benefit from fees-free (as at April 2022) ^{Error!}
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Tertiary Education Organisation Type	Learners new in 2022	Learners carried over	Total number of learners
Te Pūkenga	4,715	2,275	6,990
Universities	21,180	3,855	25,035
Wānanga	75	105	185
Total Tertiary Education Institutions	25,940	6,220	32,160
Private Training Establishments	2,445	795	3,240
Total Tertiary Education Providers	28,345	7,010	35,355
Transitional-Industry Training Organisations	<5	10	15
Total Tertiary Education Organisations	28,350	7,020	35,370
Multiple enrolments	70	20	95
Total enrolments	28,420	7,040	35,465

18. In April 2022, most learners benefiting from Fees Free are enrolled in the university subsector, which represents 71% of all learner enrolments. This was an increase from April 2021, when 68% of all fees-free enrolments were at universities.

New fees-free eligible enrolments fall over 10%

19. The total number of new fees-free enrolments decreased significantly in April 2022, down 3,830 learners (-11.9%) from 32,180 in April 2021 to 28,350. This was greater than the total tertiary sector which showed a 5.0% decrease in enrolments from April 2021 to April 2022 [B-22-00264 refers].

20. Table 2 compares the number of enrolments from new learners who received a benefit from fees-free in April 2021 to April 2022.

Table 2: Number of enrolments in April 2021 and April 2022 from new learners who received a benefit from fees-free ^{Error! Bookmark not defined., 6}

Tertiary Education Organisation Type	Learners new in April 2021	Learners new in April 2022	Variance in enrolments	Percentage variance
Te Pūkenga	6,080	4,715	-1,365	-22.5%
Universities	22,905	21,180	-1,725	-7.5%
Wānanga	235	75	-160	-68.1%
Total Tertiary Education Institutions	29,180	25,940	-3,240	-11.1%
Private Training Establishments	3,025	2,445	-580	-19.2%
Total Tertiary Education Providers	32,170	28,345	-3,825	-11.9%
Transitional-Industry Training Organisations	15	<5	-15	-100.0%
Total Tertiary Education Organisations	32,180	28,350	-3,830	-11.9%

21. Most new fees-free enrolments were in the university subsector, which decreased by 1,725 learners (-7.5%) from April 2021 to April 2022 to 21,180. The university subsector represented 75% of all new enrolments in April 2022. This was a four percentage point increase from April 2021. The shift in proportions was due to larger percentage declines in Te Pūkenga (-1,365, -22.5%) and PTEs (-580, -19.2%).

⁶ Includes multi-enrolments or learners enrolled in more than one TEO.

22. The number of wānanga learners benefiting from fees-free is relatively low compared to other subsectors as:

- a. 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, but may be eligible for TTAF.
- b. there are many programmes offered at the wānanga that were “fees-free” prior to the introduction of the fees-free policy.

209,240 learners have been supported by TTAF from July 2020 to April 2022

23. Overall, 209,240 learners have been supported by TTAF since the initiative was introduced on 01 July 2021 to April 2022.

24. Table 3 shows the number of enrolments from learners who were supported by TTAF from July 2020 to April 2022 by TTAF target area.

Table 3: Number of enrolments in from July 2020 to April 2022 from learners who were supported by TTAF, by TTAF target area Error! Bookmark not defined.,7,8

TTAF target area	Apprenticeships ⁹	Industry training	Provider-based learners ¹⁰	Total number of learners	% of total learners
<i>Apprenticeships only (not in a TTAF target area)</i>	16,560	-	-	16,560	8%
<i>Community support</i>	4,655	20,390	16,925	40,210	19%
<i>Conservation</i>	-	-	150	150	<1%
<i>Construction</i>	44,850	7,715	14,825	64,790	31%
<i>Electrical Engineering</i>	11,400	2,545	6,085	18,765	9%
<i>Information Technology</i>	-	-	6,975	6,975	3%
<i>Manufacturing and mechanical engineering and technology</i>	8,475	15,980	3,850	27,365	13%
<i>Primary Industries</i>	8,730	15,535	15,725	37,855	18%
<i>Road Transport</i>	35	220	895	1,150	<1%
Total number of unique learners	94,205	61,810	64,220	209,240	

25. From July 2020 to April 2022, most learners supported by TTAF are enrolled in the *Construction* target area (64,790 learners or 31%), followed by *Community support* (40,210 learners or 19%) and *Primary Industries* (37,855 learners or 18%).

26. Overall, most learners supported by TTAF are enrolled in apprenticeships (94,205 learners, or 45%), followed by provider-based learners (64,220 learners or 31%) and industry trainees (61,810 learners or 30%).

⁷ Note that this briefing will not include “new learner” and “carry-over learner” breakdowns for TTAF, as is reported for Fees Free. Some TTAF learners may have enrolled in multiple TTAF eligible programmes across the July to December 2020 and April 2022 periods. Describing all learners that were supported by TTAF in both periods as “carry-over learners” may therefore be misleading, considering that TTAF is focused on programmes rather than learners.

⁸ Note that underlying values may not add to total values, as some learners are enrolled in multiple TTAF target areas or subsectors.

⁹ Apprenticeship enrolment numbers include New Zealand apprenticeships, managed apprenticeships, and modern apprenticeships.

¹⁰ Provider-based learner enrolment numbers do not include managed apprenticeships. Managed apprenticeships are included under apprenticeships.

27. The most popular TTAF target area for each learner type were as follows:

- a. For apprentices, most TTAF enrolments were in *Construction* (44,850 learners or 21% of all TTAF learners), followed by *Apprenticeships not in TTAF target areas* (16,560 learners or 8% of all TTAF learners), and *Electrical engineering* (11,400 learners or 5% of all TTAF learners).
- b. For provider-based learners, the highest numbers of TTAF enrolments were in *Community support* (16,925 learners or 8% of all TTAF learners), *Primary industries* (15,725 learners or 8%), and *Construction* (14,825 learners or 7%).
- c. For industry trainees, most TTAF enrolments were in *Community support* (20,390 learners or 10% of all TTAF learners) followed by *Manufacturing and mechanical engineering and technology* (15,980 learners 8%) and *Primary industries* (15,535 learners or 7%).

28. Table 4 shows the number of TTAF enrolments by subsector and learner type (apprentices, industry trainees, provider-based learners).

Table 4: Number of enrolments supported by TTAF from July 2020 - April 2022, by learner type Error! Bookmark not defined.

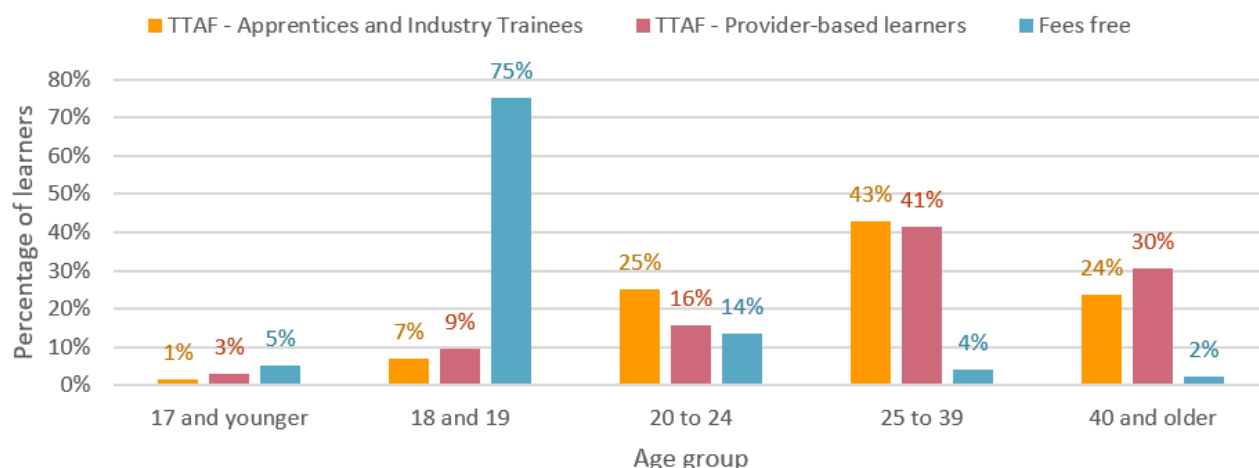
Tertiary Education Organisation Type	Apprenticeships ¹²	Industry training	Provider-based learners ¹³	Total number of learners
Te Pūkenga	4,840	-	46,260	50,430
Universities	-	-	1,230	1,230
Wānanga	-	-	1,330	1,330
Total Tertiary Education Institutions	4,840	-	48,725	52,890
Private Training Establishments	1,515	55	16,350	17,895
Total Tertiary Education Providers	6,355	55	64,220	69,905
Employer	425	-	-	425
Transitional-Industry Training Organisations	89,255	61,795	-	146,260
Total number of unique learners	94,205	61,810	64,220	209,240

29. The highest number of TTAF learners were apprentices enrolled in transitional-ITOs (89,225 learners) which represented 43% of all TTAF learners. This is followed by trainees enrolled in transitional-ITOs (61,795 learners) which represented 30% of all TTAF learners. Provider-based learners enrolled in Te Pūkenga represented 22% of all TTAF learners.

TTAF learner demographics are different to fees-free learners

30. Figure 1 compares the age demographics of TTAF apprentices and industry trainees, TTAF provider-based learners, and fees-free learners from January to April 2022.

Figure 1: Age breakdown for TTAF apprentices and industry trainees and TTAF provider-based learners¹³ from July 2020 - April 2022 and fees-free learners from Jan-April 2022

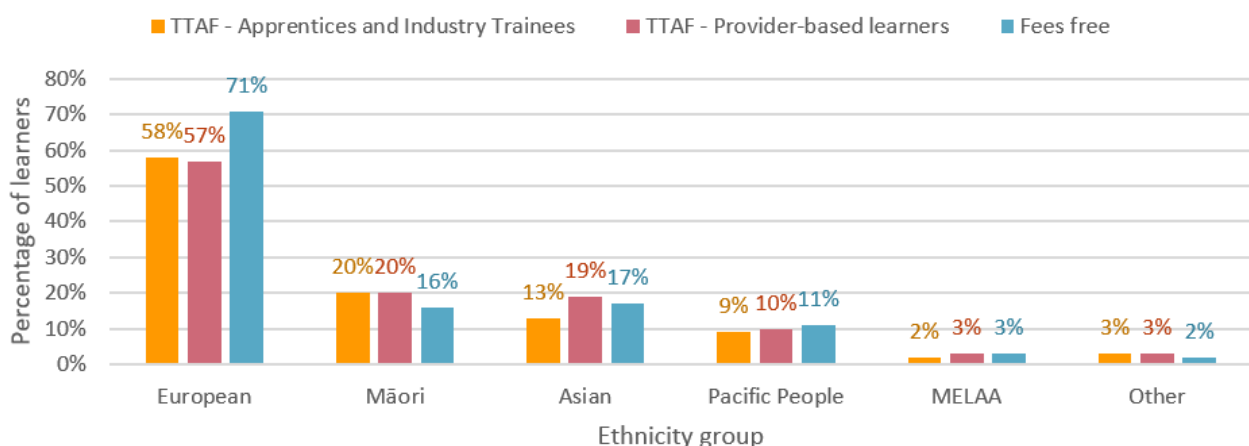


31. The age demographics of fees-free learners are much younger than TTAF learners¹¹. Age differences are most pronounced in the 18 and 19-year-old group, where fees-free represented 75% of learners and 9% of TTAF provider-based learners and 7% of TTAF apprentices and trainees. The average age of a fees-free learner was 19.8 years old.

32. The age demographics of TTAF provider-based learners were slightly older than TTAF apprentices and trainees. 72% of TTAF provider-based learners were aged 25 and over, and the average age was 34.5 years old. In comparison, 66% of TTAF apprentices and trainees were aged 25 and over, and the average age was 31.3. Only 6% of fees-free learners were aged 25 and older.

33. Figure 2 shows the ethnicity for TTAF apprentices and industry trainees, TTAF provider-based learners in April 2022.

Figure 2: Ethnicity breakdown for TTAF apprentices and industry trainees and TTAF provider-based learners¹³ from July 2020 - April 2022 and fees-free learners from Jan-April 2022



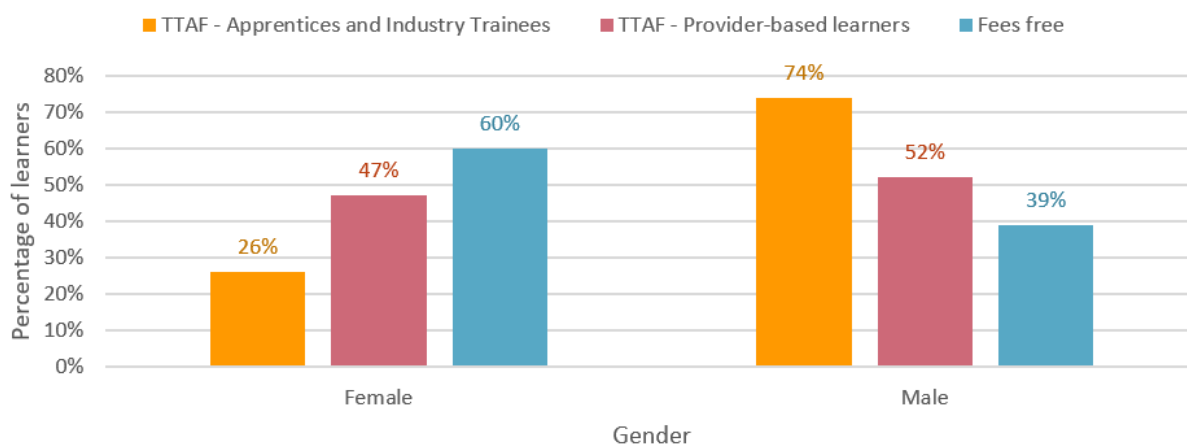
34. Most TTAF apprentices and industry trainees identified as European (58%), followed by Māori (20%), Asian (13%), and Pacific peoples (9%). In comparison, most TTAF provider-based learners identified as European (57%), followed by Māori (20%), Asian (19%), and Pacific peoples (10%). Fees-free learners followed a similar pattern, but significantly more

¹¹ As TTAF figures are cumulative since 1 July 2020, the age of learners can change. If a learner is enrolled in more than one year, the learner's age is as at 1 July in the latest reporting year.

(71%) identified as European. This was followed by Asian (17%), Māori (16%), and Pacific peoples (11%).

35. Figure 3 shows gender breakdowns for TTAF apprentices and trainees, TTAF provider-based learners, and fees-free learners as at April 2022.

Figure 3: Gender breakdown for TTAF apprentices and industry trainees and TTAF provider-based learners¹³ from July 2020 – April 2022 and fees-free learners as at April 2022 Error! Bookmark not defined.



36. As of April 2022, most TTAF apprentices and industry trainees identified as male, representing 74% of all TTAF learners, while 26% of these learners identified as female. This gender disparity was much more pronounced than provider-based TTAF learners where 52% of learners identified as male and 47% identified as female. Fees-free learners contrasted greatly with 60% identified as female and 39% identified as male.

Data caveats

37. The analysis above reflects TEO fees-free and TTAF reporting received as at April 2022 and learner eligibility as at 13 June 2022 for fees-free and 14 June 2022 for TTAF.

- a. For fees-free, all provider data relates to claims for the full year of study.
- b. For TTAF, all data relates to an enrolment in a TTAF eligible programme.

38. Note that TTAF figures are subject to revisions over time. TTAF enrolments may take several months to be processed, and enrolment numbers may change as more TTAF eligible programmes are added and enrolments are backdated. As such, figures used in this briefing have revised since the last April TTAF monthly update, which was extracted on 11 May 2022.

We will update you following the August 2022 SDR and ITR

39. We will provide you with a fees-free and TTAF enrolment update following completion of the August 2022 SDR, and reconciliation of the fees-free data submitted by providers, in addition to the ITR update.