

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

|                        |                 |                              |            |
|------------------------|-----------------|------------------------------|------------|
| <b>Date:</b>           | 17 October 2022 | <b>TEC priority:</b>         | Medium     |
| <b>Security level:</b> | In Confidence   | <b>Report no:</b>            | B-22-00599 |
|                        |                 | <b>Minister's office No:</b> |            |

| ACTION SOUGHT                                     |  |                              |
|---|--|------------------------------|
|   | Action sought  | Deadline                     |
| <b>Hon Chris Hipkins</b><br>Minister of Education | <p><b>Note</b> the tertiary sector's Fees Free and Targeted Training and Apprenticeship Fund (TTAF) enrolment data as at August 2022;</p> <p><b>Note</b> the Tertiary Education Commission has provided data on August 2022 enrolments in a separate briefing [B-22-00533]; 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 | 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 |

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| <b>Minister's Office to Complete:</b> | <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 and Targeted Training and Apprenticeship Fund (TTAF) enrolment data reported as at August 2022;
2. **note** the Tertiary Education Commission has provided data on August 2022 enrolments in a separate briefing [B-22-00533]; and,
3. **agree** to proactively release this briefing.

**AGREED / NOT AGREED**



**Gillian Dudgeon**

Deputy Chief Executive, Delivery  
Tertiary Education Commission

17 Oct 2022



**Hon Chris Hipkins**

Minister of Education

31 / 10 / 22

## Purpose

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1. This paper provides you with an update of fees-free and Targeted Training and Apprenticeship Fund (TTAF) enrolments reported as at August 2022 for all tertiary education organisations (TEOs), and makes comparisons to enrolments in previous periods as outlined below:
  - a. Fees-free August 2022 enrolments are compared to enrolments as at August 2021.
  - b. TTAF enrolments are cumulative from the start of TTAF in July 2020<sup>1</sup> to August 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
  - 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)
  - 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 August 2022.

## Summary

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4. Overall, Fees Free and TTAF initiatives have supported more than 212,265 and 232,060 learners respectively since they were each introduced, up to August 2022<sup>2, 3</sup>.
5. There were 39,850 learners who benefited from Fees Free between January and August 2022.
  - a. Of these, 31,930 were new learners who accessed Fees Free for the first time and 7,920 learners carried over their fees-free entitlement from previous years.
  - b. Age demographics shifted slightly with learners aged under 25 representing 92% of fees-free learners in August 2022, up from 91% in August 2021.
  - c. Ethnicity demographics<sup>4</sup> of fees-free learners stayed mostly the same, with most learners identifying as European (70%), followed by Asian (17%, up from 15%), Māori (16%, down from 17%), and Pacific peoples (11%, down from 12%).
  - d. Female learners represented 60% of fees-free learners, while males represented 38% and another gender<sup>5</sup> represented 1% of fees-free learners.

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<sup>1</sup> TTAF was introduced on 1 July 2020 and covers programme fees up until 31 December 2022.

<sup>2</sup> 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.

<sup>3</sup> Note that this briefing focuses on learner numbers and not EFTS and STMs delivered for Fees Free and TTAF. The majority of Fees-free learners are enrolled in 120 credit degrees and certificates for the full year, whereas credit values for TTAF programmes can vary and are generally smaller in comparison.

<sup>4</sup> Learners can be counted more than once when they are reported in more than one ethnicity. Therefore, aggregated percentage values may exceed 100%.

<sup>5</sup> In April 2021, Stats NZ updated their sex and gender statistical standards, whereby the "Gender diverse" response category was changed to "Another gender". The Another gender reporting option is only available in the SDR, whereas the ITR does not have this reporting option.

6. Compared with August 2021, the total number of learners enrolled in fees-free fell by 5,685 learners (-12%).
7. Since the TTAF initiative was introduced, 232,060 learners have been supported by TTAF.
  - a. Most of these learners were enrolled in the *Construction* target area (71,070 learners or 31% of all TTAF learners), followed by *Community support* (44,540 learners or 19%) and *Primary Industries* (42,470 learners or 18%).

## Background: Fees Free and TTAF

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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 programmes<sup>6</sup>. 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 industry training 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.
13. TTAF funding will end 31 December 2022. It is expected that the number of learners accessing fees-free in 2023 will increase due to learners, previously supported by TTAF, using their fees-free entitlement.

## In 2022, 39,850 fees-free eligible learners were enrolled as at August 2022

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14. Overall, there were 39,850 Fees Free eligible students or trainees (learners) enrolled up to August 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 325 multi-enrolments or learners enrolled in more than one subsector.
15. Since the Fees Free policy was introduced on 1 January 2018, around 212,265 learners have received a benefit.

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<sup>6</sup> 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.

16. Between January and August 2022, Tertiary Education Commission (TEC) paid (inclusive of GST) approximately \$244 million<sup>7</sup> for fees-free enrolments, including \$179 million to universities, \$36 million to Te Pūkenga<sup>8</sup>, and \$29 million to private training establishments (PTEs).
17. Overall, the average financial benefit for each fees-free learner was approximately \$6,100<sup>9</sup> in 2022. The average financial benefit was highest at universities at \$6,800 per learner (up from \$6,600 in 2021) followed by PTEs, at \$6,200 (up \$100), Te Pūkenga at \$4,100 (down \$200), wānanga at \$500 (down \$300)<sup>10</sup>, and industry training providers at \$500 (down \$200).
18. Table 1 shows the number of enrolments from learners who received a benefit from Fees Free as at August 2022.

**Table 1: Number of enrolments from learners who received a benefit from fees-free (as at August 2022)**  
2,11

| Tertiary Education Organisation Type          | Learners new in 2022 | Learners carried over | Total number of learners |
|---|----------------------|-----------------------|--------------------------|
| Te Pūkenga <sup>12</sup>                      | 6,175                | 2,620                 | 8,795                    |
| Universities                                  | 22,295               | 4,215                 | 26,510                   |
| Wānanga                                       | 115                  | 115                   | 230                      |
| <b>Total Tertiary Education Institutions</b>  | <b>28,475</b>        | <b>6,915</b>          | <b>35,390</b>            |
| Private Training Establishments               | 3,605                | 1,000                 | 4,605                    |
| <b>Total Tertiary Education Providers</b>     | <b>31,920</b>        | <b>7,900</b>          | <b>39,820</b>            |
| Industry Training Sector                      | 10                   | 20                    | 30                       |
| <b>Total Tertiary Education Organisations</b> | <b>31,930</b>        | <b>7,920</b>          | <b>39,850</b>            |
| <b>Multiple enrolments</b>                    | <b>270</b>           | <b>55</b>             | <b>325</b>               |
| <b>Total enrolments</b>                       | <b>32,200</b>        | <b>7,975</b>          | <b>40,175</b>            |

19. In August 2022, most learners benefiting from Fees Free are enrolled in the university subsector, which represents 67% of all fees-free enrolments. This was an increase from August 2021, when 63% of all fees-free enrolments were at universities.

## New fees-free eligible enrolments fall 14%

20. The total number of new fees-free enrolments decreased significantly in August 2022, down 5,205 learners (-14.0%) from 37,135 in August 2021 to 31,930. This percentage decline was greater than for the total of provider-based enrolments which showed a 5.5% decrease in enrolments from August 2021 to August 2022 [B-22-00533 refers].
21. Table 2 compares the number of enrolments from new learners who received a benefit from fees-free in August 2021 to August 2022.

<sup>7</sup> Dollar 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 industry training subsectors less than one million.

<sup>8</sup> Te Pūkenga stood up on 1 April 2020 and brings together 16 Institutes of Technology and Polytechnics (ITPs) into one organisation.

<sup>9</sup> 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.

<sup>10</sup> Note that wānanga and Industry training providers tend to have lower course costs in comparison to the other subsectors.

<sup>11</sup> The totals and subtotals are distinct learner number counts, while total enrolments include learners that enrol across more than one subsector.

**Table 2: Number of enrolments in August 2021 and August 2022 from new learners who received a benefit from fees-free <sup>2,11</sup>**

| Tertiary Education Organisation Type          | Learners new in August 2021 | Learners new in August 2022 | Variance in enrolments | Percentage variance |
|---|-----------------------------|-----------------------------|------------------------|---------------------|
| Te Pūkenga <sup>12</sup>                      | 8,415                       | 6,175                       | -2,240                 | -26.6%              |
| Universities                                  | 24,355                      | 22,295                      | -2,060                 | -8.5%               |
| Wānanga                                       | 365                         | 115                         | -250                   | -68.5%              |
| <b>Total Tertiary Education Institutions</b>  | <b>32,985</b>               | <b>28,475</b>               | <b>-4,510</b>          | <b>-13.7%</b>       |
| Private Training Establishments               | 4,260                       | 3,605                       | -655                   | -15.4%              |
| <b>Total Tertiary Education Providers</b>     | <b>37,135</b>               | <b>31,920</b>               | <b>-5,185</b>          | <b>-14.0%</b>       |
| Industry Training Sector                      | 30                          | 10                          | -20                    | -66.7%              |
| <b>Total Tertiary Education Organisations</b> | <b>37,135</b>               | <b>31,930</b>               | <b>-5,205</b>          | <b>-14.0%</b>       |

22. Most new fees-free enrolments were in the university subsector, which decreased by 2,060 learners (-8.5%) from August 2021 to August 2022 to 22,295. The university subsector represented 70% of all new enrolments in August 2022. This was a four percentage point increase from August 2021. The shift in proportions was due to larger percentage declines in Te Pūkenga (-2,240, -26.6%) and PTEs (-655, -15.4%).

23. 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.

## **232,060 learners have been supported by TTAF from July 2020 to August 2022**

24. Overall, 232,060 learners have been supported by TTAF since the initiative was introduced on 01 July 2021 to August 2022.

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

<sup>12</sup> Te Pūkenga Work Based Learning learners are included in the Industry Training Sector learner counts and are excluded from Te Pūkenga’s learner counts.

**Table 3: Number of enrolments from July 2020 to August 2022 from learners who were supported by TTAF, by TTAF target area**<sup>2,6,13, 14</sup>

| TTAF target area   | Apprenticeships <sup>15</sup> | Industry training <sup>16</sup> | Provider-based learners <sup>17</sup> | Total number of learners | % of total learners |
|--|-------------------------------|---------------------------------|---------------------------------------|--------------------------|---------------------|
| <i>Apprenticeships only (not in a TTAF target area)</i>        | 17,935                        | -                               | -                                     | 17,935                   | 8%                  |
| <i>Community support</i>                                       | 5,340                         | 22,305                          | 19,285                                | 44,540                   | 19%                 |
| <i>Conservation</i>  | -                             | -                               | 210                                   | 210                      | <1%                 |
| <i>Construction</i>  | 49,140                        | 9,055                           | 16,155                                | 71,070                   | 31%                 |
| <i>Electrical Engineering</i>                                  | 12,350                        | 3,420                           | 6,510                                 | 20,710                   | 9%                  |
| <i>Information Technology</i>                                  | -                             | -                               | 8,700                                 | 8,700                    | 4%                  |
| <i>Manufacturing and mechanical engineering and technology</i> | 9,280                         | 18,785                          | 4,295                                 | 31,200                   | 13%                 |
| <i>Primary Industries</i>                                      | 9,260                         | 17,730                          | 18,040                                | 42,470                   | 18%                 |
| <i>Road Transport</i>  | 40                            | 265                             | 1,015                                 | 1,315                    | <1%                 |
| <b>Total number of unique learners</b>                         | <b>102,650</b>                | <b>70,780</b>                   | <b>72,665</b>                         | <b>232,060</b>           |                     |

26. From July 2020 to August 2022, most learners supported by TTAF are enrolled in the *Construction* target area (71,070 learners or 31%), followed by *Community support* (44,540 learners or 19%) and *Primary Industries* (42,470 learners or 18%).

27. Overall, most learners supported by TTAF are enrolled in apprenticeships (102,650 learners, or 44%), followed by provider-based learners (72,665 learners or 31%) and industry trainees (70,780 learners or 31%).

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

- a. For apprentices, most TTAF enrolments were in *Construction* (49,140 learners or 21% of all TTAF learners), followed by *Apprenticeships not in TTAF target areas* (17,935 learners or 8% of all TTAF learners), and *Electrical engineering* (12,350 learners or 5% of all TTAF learners).
- b. For provider-based learners, the highest numbers of TTAF enrolments were in *Community support* (19,285 learners or 8% of all TTAF learners), *Primary industries* (18,040 learners or 8%), and *Construction* (16,155 learners or 7%).
- c. For industry trainees, most TTAF enrolments were in *Community support* (23,305 learners or 10% of all TTAF learners) followed by *Manufacturing and mechanical engineering and technology* (18,785 learners 8%) and *Primary industries* (17,730 learners or 8%).

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

<sup>13</sup> 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 2020 and August 2022 period. 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.

<sup>14</sup> Note that underlying values may not add to total values, as some learners are enrolled in multiple TTAF target areas or subsectors.

<sup>15</sup> Apprenticeship enrolment numbers include New Zealand apprenticeships, managed apprenticeships, and modern apprenticeships.

<sup>16</sup> Industry Traineeships are training programmes that do not meet the New Zealand Apprenticeship credit and level criteria.

<sup>17</sup> Provider-based learner enrolment numbers do not include managed apprenticeships. Managed apprenticeships are included under apprenticeships.



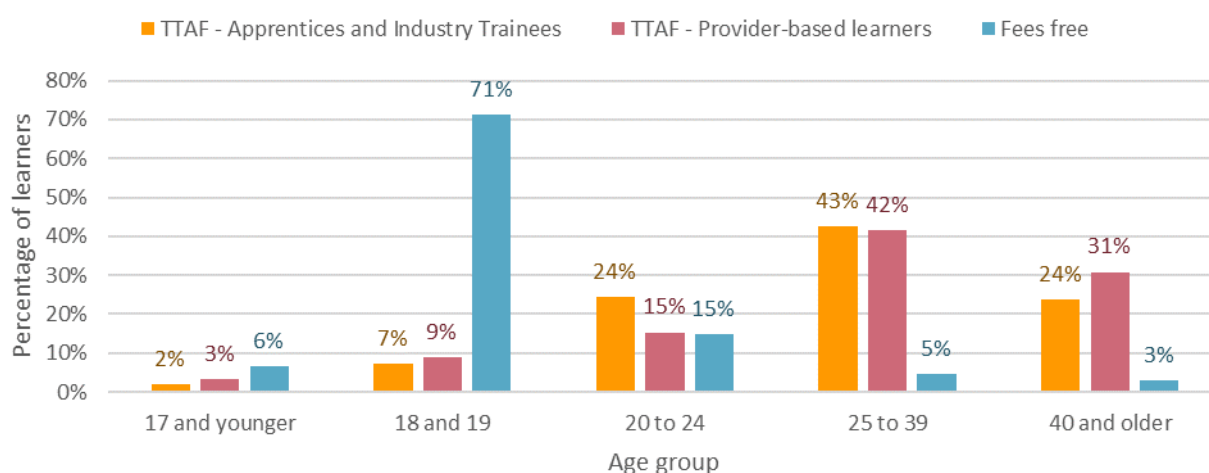
**Table 4: Number of enrolments supported by TTAF from July 2020 - August 2022, by learner type**  
2,6,11,13,14

| Tertiary Education Organisation Type         | Apprenticeships <sup>15</sup> | Industry training <sup>16</sup> | Provider-based learners <sup>17</sup> | Total number of learners |
|--|-------------------------------|---------------------------------|---------------------------------------|--------------------------|
| Te Pūkenga <sup>12</sup>                     | 5,160                         | -                               | 51,260                                | 55,670                   |
| Universities                                 | -                             | -                               | 1,275                                 | 1,275                    |
| Wānanga                                      | -                             | -                               | 1,405                                 | 1,405                    |
| <b>Total Tertiary Education Institutions</b> | <b>5,160</b>                  | <b>-</b>                        | <b>53,835</b>                         | <b>58,240</b>            |
| Private Training Establishments              | 1,725                         | 75                              | 20,045                                | 21,805                   |
| <b>Total Tertiary Education Providers</b>    | <b>6,880</b>                  | <b>75</b>                       | <b>72,665</b>                         | <b>78,795</b>            |
| Employer                                     | 480                           | -                               | -                                     | 480                      |
| Industry Training Sector                     | 97,260                        | 70,750                          | -                                     | 161,970                  |
| <b>Total number of unique learners</b>       | <b>102,650</b>                | <b>70,780</b>                   | <b>72,665</b>                         | <b>232,060</b>           |

30. The highest number of TTAF learners were apprentices enrolled at industry training providers (97,260 learners) which represented 42% of all TTAF learners. This is followed by trainees enrolled at industry training providers (70,750 learners) which represented 30% of all TTAF learners. Provider-based learners enrolled in Te Pūkenga (51,260 learners) represented 22% of all TTAF learners.

## TTAF learner demographics are different to fees-free learners

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

**Figure 1: Age breakdown for TTAF apprentices and industry trainees and TTAF provider-based learners from July 2020 - August 2022 and fees-free learners from January 2022 - August 2022**<sup>15,16,17,18</sup>

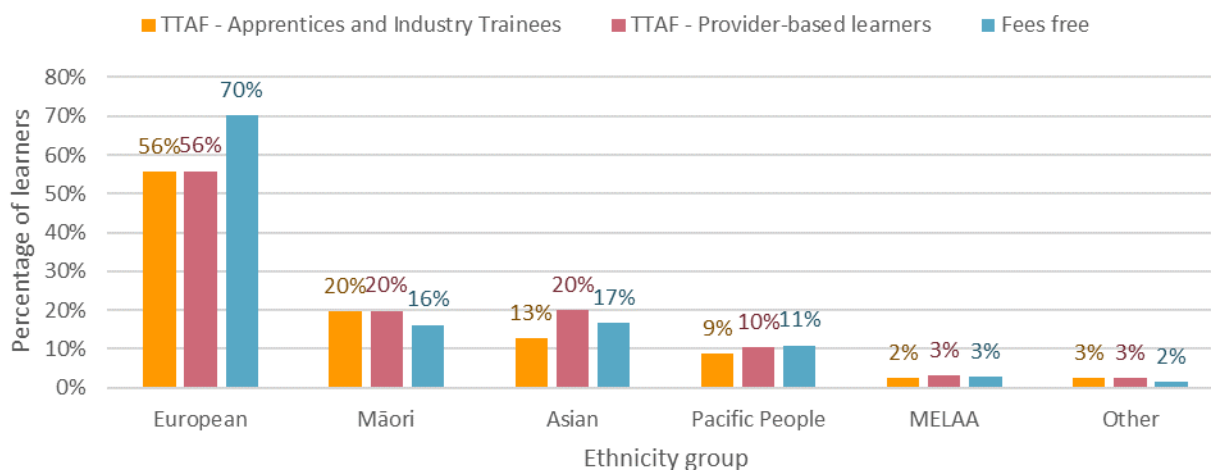
32. The age demographics of Fees Free learners are much younger than TTAF learners<sup>18</sup>. Age differences are most pronounced in the 18 and 19-year-old group, with 71% of Fees Free learners in this age-group, 9% of TTAF provider-based learners and 7% of TTAF apprentices and trainees. The average age of a fees-free learner was 20.0 years old.

<sup>18</sup> 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.

33. 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 34.6 years old. In comparison, 66% of TTAF apprentices and trainees were aged 25 and over, and the average age was 31.1. Only 8% of fees-free learners were aged 25 and older.

34. Figure 2 shows the ethnicity for TTAF apprentices and industry trainees, TTAF provider-based learners, and Fees Free learners from January to August 2022.

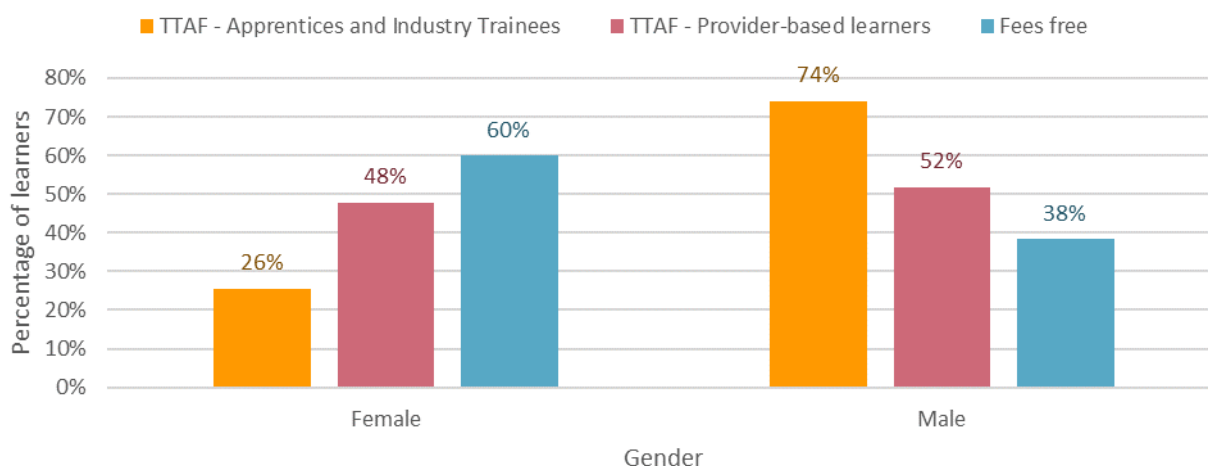
**Figure 2: Ethnicity breakdown for TTAF apprentices and industry trainees and TTAF provider-based learners from July 2020 - August 2022 and fees-free learners from January 2022 - August 2022** <sup>4,15,16,17</sup>



35. Most TTAF apprentices and industry trainees identified as European (56%), followed by Māori (20%), Asian (13%), and Pacific peoples (9%). In comparison, most TTAF provider-based learners identified as European (56%), followed by Māori (20%), Asian (20%), and Pacific peoples (10%). Fees-free learners followed a similar pattern, but significantly more (70%) identified as European. This was followed by Asian (17%), Māori (16%), and Pacific peoples (11%).

36. Figure 3 shows gender breakdowns for TTAF apprentices and industry trainees, TTAF provider-based learners, and Fees Free learners from January to August 2022.

**Figure 3: Gender breakdown for TTAF apprentices and industry trainees and TTAF provider-based learners from July 2020 – August 2022 and fees-free learners from January 2022 - August 2022** <sup>5,15,16,17,19</sup>



37. As of August 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 for provider-based TTAF learners where 52% of learners identified as male and 48% identified as female. Fees-free learners contrasted greatly with 60% identified as female and 38% identified as male.

## Data caveats

38. The analysis above reflects TEO Fees Free and TTAF reporting received as at August 2022 and learner eligibility as at 13 September 2022 for fees-free and 22 September 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.

39. 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 August TTAF monthly update, which was extracted on 07 September 2022.

## We will update you following the December 2022 SDR and ITR

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

<sup>19</sup> Another gender and unknown genders have been omitted from the graph as they make up 1% or less of the total population in TTAF and fees-free.