

Tertiary Education Report: April 2023 Fees Free Enrolment Update

Date:	24 July 2023	TEC priority:	Low
Security level:	In Confidence	Report no:	B-23-00662
		Minister's office No:	

ACTION SOUGHT		
	Action sought	Deadline
Hon Jan Tinetti Minister of Education	<p>Note the tertiary sector's Fees Free enrolment data as at April 2023;</p> <p>Note the significant increase in Fees Free enrolments, reflecting the movement of learners from TTAF funding (now concluded) to Fees Free; and</p> <p>Note the Tertiary Education Commission has provided data on April 2023 enrolments in a separate briefing [B-23-00517]; 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 Withdrawn
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Comments:

Recommendations

Hon Jan Tinetti, Minister of Education

It is recommended that you:

1. **note** the tertiary sector's Fees Free enrolment data reported as at April 2023;
2. **Note** the significant increase in Fees Free enrolments, reflecting the movement of learners from TTAF funding (now concluded) to Fees Free; and
3. **note** the Tertiary Education Commission has provided data on April 2023 enrolments in a separate briefing [B-23-00517]; and,
4. **agree** to proactively release this briefing.

AGREED / NOT AGREED



Gillian Dudgeon

Deputy Chief Executive, Delivery
Tertiary Education Commission
24 July 2023



Hon Jan Tinetti

Minister of Education

 28 / 07 / 2023

Purpose

1. This paper provides you with an update of Fees Free reported as at April 2023 for all tertiary education organisations (TEOs), and makes comparisons to enrolments in previous periods as outlined below:
 - a. Fees Free 2023 enrolments, which cover the period between 1 January 2023 and 30 April 2023, are compared to enrolments for the same period in 2022.
2. The figures will differ to end-of-year 2022 and other 2023 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 Single 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 April 2023.

Summary

4. Overall, Fees Free has supported more than 246,770 learners since it was introduced, up to April 2023^{1, 2}.
5. There were 42,835 learners who benefited from Fees Free between January and April 2023.
 - a. Of these, 32,685 were new learners who accessed Fees Free for the first time and 10,145 learners carried over their Fees Free entitlement from previous years.
 - b. Age demographics shifted slightly with learners aged under 25 representing 93% of Fees Free learners in April 2023, down from 94% in April 2022.
 - c. Ethnicity demographics³ of Fees Free learners stayed largely the same, with most learners identifying as European (72%, up from 71%), followed by Māori (16%, no change), Asian (15%, down from 17%), and Pacific peoples (9%, down from 11%).
 - d. The end of TTAF has meant a shift in gender demographics, with female learners representing 47% of Fees Free learners in April 2023, down from 60% in April 2022; while males represented 51%, up from 39%; and another gender⁴ represented 1% of Fees Free learners.

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 Note that this briefing focuses on learner numbers and not EFTS and STMs delivered for Fees Free. The majority of Fees Free learners are enrolled in 120 credit degrees and certificates for the full year.

³ Learners can be counted more than once when they are reported in more than one ethnicity. Therefore, aggregated percentage values may exceed 100%.

⁴ 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 April 2022, the total number of learners enrolled in Fees Free increased by 7,360 learners (21%). Learners accessing Fees Free for the first time increased by 4,260 learners (15%).
7. The number of Fees Free enrolments can be impacted by several factors such as the number of learners in the secondary school system; the number of enrolments in tertiary education; and other tertiary education policies.

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 first-time learners, with their fees funding capped at \$12,000 (including GST) per learner.
9. On 1 July 2020, TTAF was introduced to cover fees for learners in all apprenticeships and a range of sub-degree level programmes⁵. It targeted 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 were covered by TTAF. This contributed to decreases in Fees Free enrolments in 2021 and 2022, particularly in the industry training subsector (B-21-00219 refers).
11. Note that first-time learners retained their Fees Free entitlement if they were supported by TTAF. This means that learners may have enrolled in programmes covered by TTAF for the duration of the TTAF initiative and can still redeem their Fees Free entitlement for their first year(s) of non-TTAF funded study.
12. TTAF funding ended 31 December 2022. The number of learners accessing Fees Free in April 2023 has increased due to learners previously being supported by TTAF, now accessing their Fees Free entitlement.

In 2023, 42,835 Fees Free eligible learners were enrolled as at April 2023

13. Overall, there were 42,835 Fees Free eligible students or trainees (learners) enrolled up to April 2023, who received a benefit from Fees Free in 2023. This number is a count of learners who received a benefit for the first time in 2023 and learners who have continued their studies and carried over their entitlement from 2018 to 2022. This count excludes 115 multi-enrolments or learners enrolled in more than one subsector.
14. Since the Fees Free policy was introduced on 1 January 2018, around 246,770 learners have received a benefit.
15. Between January and April 2023, Tertiary Education Commission (TEC) paid (inclusive of GST) approximately \$229 million⁶ for Fees Free enrolments, including \$160 million to

⁵ 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.

⁶ Dollar values have been rounded to the nearest million. Due to rounding, underlying values may not add up exactly to total values.

universities, \$37 million to Te Pūkenga⁷, \$23 million to private training establishments (PTEs), \$8 million to work-based learning providers and less than one million to wānanga.

16. Overall, the average financial benefit for each Fees Free learner is approximately \$5,300⁸ in 2023. The average financial benefit is highest at universities at \$6,900 per learner (up \$400 from 2022), followed by PTEs at \$6,200 (down \$1,800), Te Pūkenga at \$4,500 (up \$300), wānanga at \$2,300 (up \$1,700) and industry training providers at \$1,100 (up \$600)⁹.

17. Table 1 shows the number of enrolments from learners who received a benefit from Fees Free as at April 2023.

Table 1: Number of enrolments from learners who received a benefit from Fees Free (as at April 2023)
1,10

Tertiary Education Organisation Type	Learners new in 2023	Learners carried over	Total number of learners
Te Pūkenga ¹¹	5,720	2,400	8,120
Universities	19,910	3,185	23,090
Wānanga	80	35	115
Total Tertiary Education Institutions	25,690	5,610	31,295
Private Training Establishments	3,010	740	3,750
Total Tertiary Education Providers	28,650	6,345	34,990
Work-based learning	4,055	3,820	7,875
Total Tertiary Education Organisations	32,685	10,145	42,835
Multiple enrolments	90	35	115
Total enrolments	32,775	10,180	42,950

18. In April 2023, most learners benefiting from Fees Free are enrolled in the university subsector, which represents 54% of all Fees Free enrolments. This was a decrease from April 2022, when 71% of all Fees Free enrolments were at universities.

New Fees Free eligible enrolments increase 15%

19. The total number of new Fees Free enrolments increased in 2023, up 4,260 learners (15.0%) from 28,425 in April 2022 to 32,685. The increase in Fees Free enrolments contrasts with a 5% decrease in enrolments across both provider-based and work-based provision [B-23-00517 refers].

20. Table 2 compares the number of enrolments from new learners who received a benefit from Fees Free in April 2022 and 2023.

⁷ Te Pūkenga stood up on 1 April 2020 and brings together 16 Institutes of Technology and Polytechnics (ITPs) into one organisation.

⁸ 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.

⁹ Note that wānanga and industry training providers tend to have lower course costs in comparison to the other subsectors.

¹⁰ 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 April 2022 and April 2023 from new learners who received a benefit from Fees Free ^{1,10}

Tertiary Education Organisation Type	Learners new in April 2022	Learners new in April 2023	Variance in enrolments	Percentage variance
Te Pūkenga ¹¹	4,775	5,720	945	19.8%
Universities	21,200	19,910	-1,290	-6.1%
Wānanga	75	80	5	6.7%
Total Tertiary Education Institutions	26,020	25,690	-330	-1.3%
Private Training Establishments	2,440	3,010	570	23.4%
Total Tertiary Education Providers	28,420	28,650	230	0.8%
Work-based learning	0	4,055	4,055	-
Total Tertiary Education Organisations	28,425	32,685	4,260	15.0%

21. Most new Fees Free enrolments were in the work-based learning subsector, which increased by 4,055 learners from April 2022 to April 2023. The work-based learning subsector represented 12% of all new Fees Free enrolments in April 2023.

22. The largest increase was in the Engineering and Related Technologies field of study with an increase of 2,495 learners (86%), followed by Architecture and Building with an increase of 1,770 learners (262%). Increases in these areas are largely due to the end of TTAF as many apprenticeships and other TTAF-eligible programmes fell within these fields of study.

23. The end of TTAF also meant most new Fees Free enrolments were in sub-degree qualifications. Enrolments in sub-degree vocational qualifications increased by 5,835 learners (85%) from April 2022. In contrast, enrolments in qualifications levels 7 degree and above decreased by 1,535 learners (-7%).

24. 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.
- b. there are many programmes offered at the wānanga that were “fees-free” prior to the introduction of the Fees Free policy.

The end of TTAF has caused a shift in Fees Free learner demographics

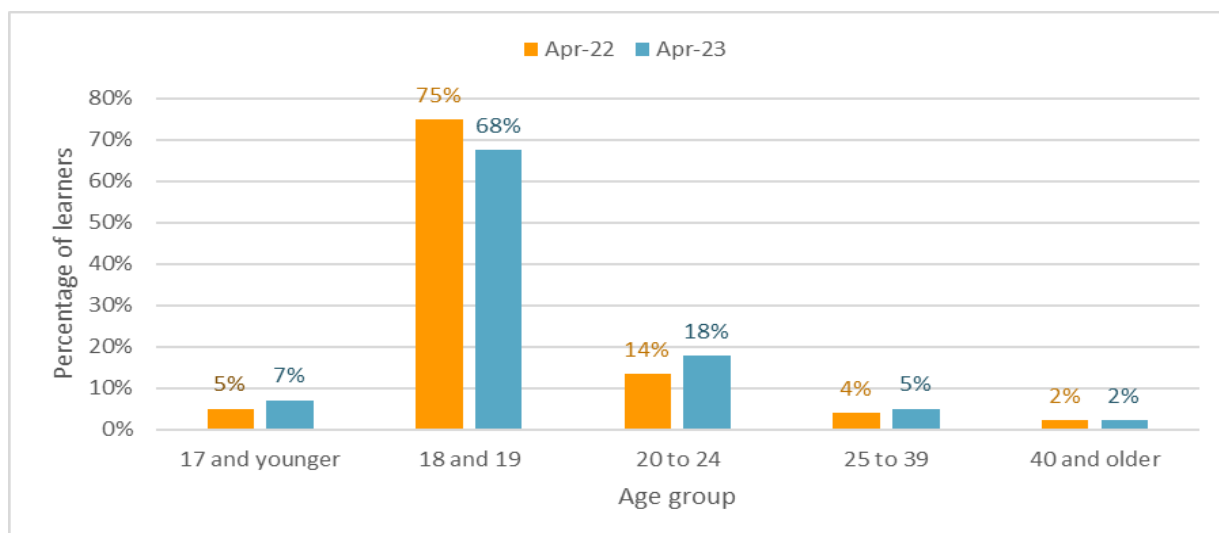
25. The end of TTAF has caused a shift in the age groups of Fees Free learners. Learners that had been supported by TTAF, who otherwise would have been eligible for Fees Free, are now entering Fees Free as older learners.

26. The average age of Fees Free learners has increased to 20.0 years, up from 19.8 in April 2022.

27. Figure 1 compares the age demographics of Fees Free learners from January to April 2022 to the same period in 2023.

¹¹ Te Pūkenga Work-based learners are included in the Work-based learning sector learner counts and are excluded from Te Pūkenga’s learner counts.

Figure 1: Age breakdown of Fees Free learners from January - April 2022 and 2023¹²

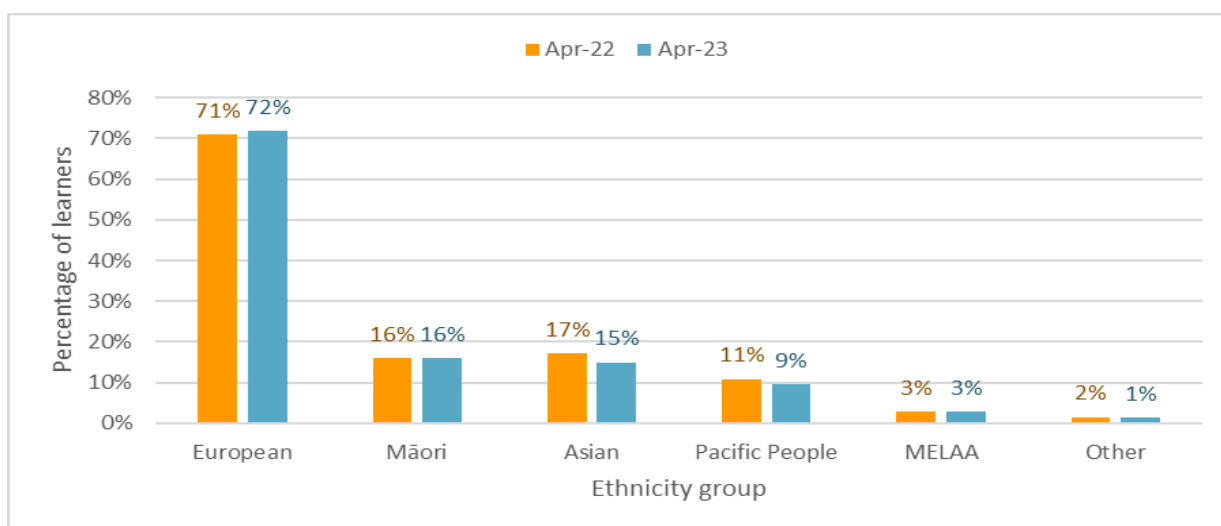


28. Learners aged under 25 represented 93% of Fees Free learners in April 2023, down from 94% in April 2022.

29. Within the under 25 age group there is a more noticeable shift, with learners aged 18 and 19 decreasing from 75% of all Fees Free enrolments in April 2022 to 68% in April 2023, a decrease of 7 percentage points. The biggest increase was seen in the 20 to 24 age group which increased from 14% in April 2022 to 18% in April 2023.

30. Figure 2 compares the ethnicity of Fees Free learners from January to April 2022 to the same period in 2023.

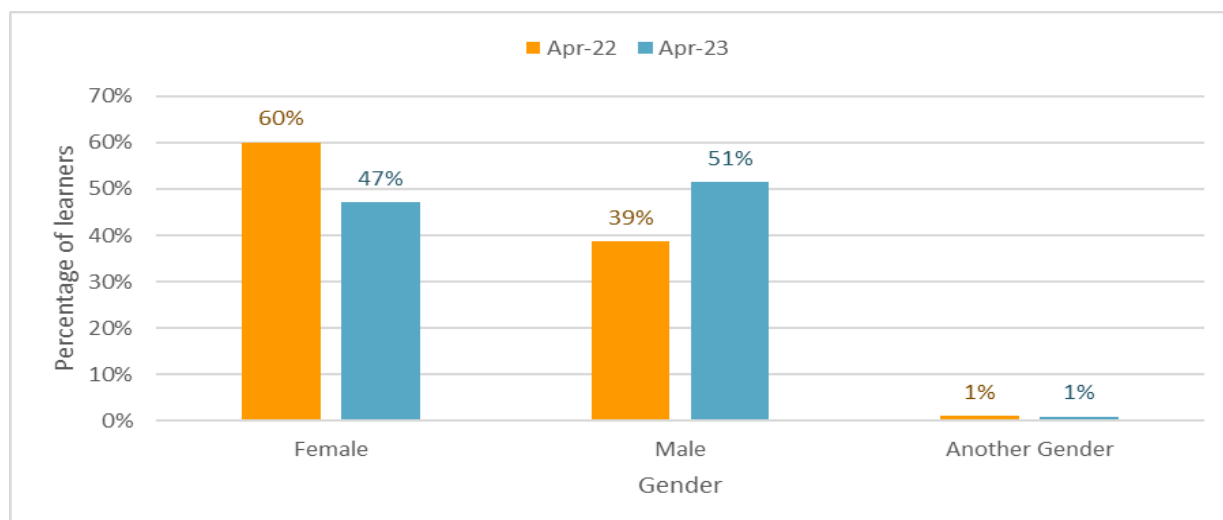
Figure 2: Ethnicity breakdown of Fees Free learners from January - April 2022 and 2023³



31. In April 2023 most Fees Free learners identified as European (72%), followed by Māori (16%), Asian (15%), and Pacific peoples (9%). This is a similar breakdown compared to April 2022.

32. Figure 3 shows gender breakdowns of Fees Free learners from January to April 2022 to the same period in 2023.

¹² A learner's age is calculated as at 1 July for the corresponding year.

Figure 3: Gender breakdown of Fees Free learners from January – April 2022 and 2023

33. The end of TTAF has also caused a shift in the gender demographics of Fees Free learners. In April 2023, the majority of Fees Free learners identified as male with 51%, an increase of 12 percentage points from April 2022.

34. The increase of learners in Fees Free identifying as male has largely been due to the high proportion of male learners that were supported by TTAF through apprenticeships or industry training, now accessing Fees Free.

Data caveats

35. The analysis above reflects TEO Fees Free reporting received as at April 2022 and eligibility as at 23 June 2023 for Fees Free.

- a. For Fees Free, all TEO data relates to claims for the full year of study.

We will update you following the August 2023 SDR and ITR

36. We will provide you with a Fees Free enrolment update following completion of the August 2023 SDR, and reconciliation of the Fees Free data submitted by providers, in addition to the ITR update¹³.

¹³ Providers (Universities, Te Pūkenga subsidiaries, Wānanga and Private Training Establishments) submit their SDR data three times a year (April, August, and December), and each submission reflects all known enrolments and delivery at the time, while Work-based learning submissions (by Tertiary Education Organisations) occur continually throughout the year. Enrolments may take several months to be processed.