

Aide-Memoire: Recent trends on investment in education and training for the tourism sector

To:	Hon Chris Hipkins, Minister of Education
From:	Nina Ive, Acting Deputy Chief Executive, Strategy and Design
Date:	28 February 2022
Reference:	AM-22-00010

Our investment in tourism education and training reflects what's best for learners

1. Prior to COVID-19 we had reduced investment in some provider-based tourism education and training in response to poor post-study outcomes for learners. From 2020 onwards, we were more deliberate in these reductions in provider-based training due to the impacts of COVID-19 on the tourism sector. We were transparent with affected organisations about this reduced investment. Learners were also opting for other industries with better prospects. While we continued to support every work-based learner in the sector, investment in this mode of learning declined significantly due to reduced employment.
2. Given the impact on tourism from COVID-19, interest in education and training in the sector fell away sharply. Much of provider-based tourism education and training consists of programmes at levels 2 - 6, and up to a year in length, so graduates are quick to market. Learners looked for other opportunities, such as those supported by the Government's Target Training and Apprenticeship Fund, which gave clear signals about sectors with better prospects.
3. Where people are employed in a sector and employers are keen to train, we will readily invest in work-based training. This has the greatest return for learners, employers, the industry and public investment. For tourism, this has remained true but as the industry has been greatly affected by COVID-19, work-based learners have also reduced significantly.

COVID-19 impacts drove a significant decrease in tourism investment

4. Since 2017, the value of this provision decreased across all Tertiary Education Organisations (TEOs) by 57% (\$11,547,435), from \$20,342,215 in 2017 to \$8,794,780 in 2021 (Table 1)¹. However, the largest decrease of 40% (\$5,975,250) was experienced during COVID-19, between 2020 and 2021 (Table 2).

¹ Tables are provided in-text and in Appendix 1. Data caveats are reported in Appendix 2.

Table 1: Value of Delivery (2017-2021)			Change between 2017 and 2021	
TEO Type	2017	2021	Value of Delivery	Percentage
Te Pūkenga	\$2,806,410	\$612,380	-\$2,194,030	-78%
University	\$2,470,785	\$972,605	-\$1,498,180	-61%
Wānanga	\$728,980	\$13,345	-\$715,635	-98%
TEI Total	\$6,006,175	\$1,598,330	-\$4,407,845	-73%
Private Training Establishment	\$13,953,640	\$7,103,395	-\$6,850,245	-49%
Industry Training	\$382,400	\$93,055	-\$289,345	-76%
Total	\$20,342,215	\$8,794,780	-\$11,547,435	-57%

5. This decrease was particularly large for private training establishments (PTEs). The value of their provision decreased by 49% (\$6,850,245), from \$13,953,640 in 2017 to \$7,103,395 in 2021 (Table 1), with a large decrease of 40% (\$4,703,550), during COVID-19, between 2020 and 2021 (Table 2).

Table 2: Value of Delivery (2020-2021)			Change between 2020 and 2021	
TEO Type	2020	2021	Value of Delivery	Percentage
Te Pūkenga	\$1,428,325	\$612,380	-\$815,945	-57%
University	\$1,236,735	\$972,605	-\$264,130	-21%
Wānanga	\$108,825	\$13,345	-\$95,480	-88%
TEI Total	\$2,773,885	\$1,598,330	-\$1,175,555	-42%
Private Training Establishment	\$11,806,945	\$7,103,395	-\$4,703,550	-40%
Industry Training	\$189,200	\$93,055	-\$96,145	-51%
Total	\$14,770,030	\$8,794,780	-\$5,975,250	-40%

6. The number of learners declined by 55% (2,535), from 4,625 in 2017 to 2,090 in 2021 (Table 3), with a large drop of 35% (1,135) during COVID-19, between 2020 and 2021 (Table 4).
7. Since 2017, the number of enrolled learners decreased across all TEOs by 55% (2,535), from 4,625 in 2017 to 2,090 in 2021 (Table 3). The largest decrease of 35% (1,135) was experienced with COVID-19, between 2020 and 2021 (Table 4).

Table 3: Number of Learners (2017-2021)			Change between 2017 and 2021	
TEO Type	2017	2021	Learners	Percentage
Te Pūkenga	640	140	-500	-78%
University	480	190	-290	-60%
Wānanga	100	15	-85	-85%
TEI Total	1,220	350	-870	-71%
Private Training Establishment	2,950	1,575	-1,375	-47%
Industry Training	490	175	-315	-64%
Total (Distinct learners)	4,625	2,090	-2,535	-55%

8. PTEs have experienced the largest decline of 47% (1,375), from 2,950 in 2017 to 1,575 in 2021 (Table 3). The drop of 33% (765) was largest during COVID-19, between 2020 and 2021 (Table 4).

Table 4: Number of Learners (2020-2021)			Change between 2020 and 2021	
TEO Type	2020	2021	Learners	Percentage
Te Pūkenga	315	140	-175	-56%
University	235	190	-45	-19%
Wānanga	15	15	0	0
TEI Total	565	350	-215	-38%
Private Training Establishment	2,340	1,575	-765	-33%
Industry Training	325	175	-150	-46%
Total (Distinct learners)	3,225	2,090	-1,135	-35%

9. In Tertiary Education Institutions (TEIs), the number of learners decreased by 71% (870) between 2017 and 2021 (Table 3), but the actual number of enrolled learners was lower than in PTEs. Following the impact of COVID-19, between 2020 and 2021 learners decreased by 38% (215) (Table 4).
10. TEIs value of provision decreased by 73% (\$4,407,845), from \$6,006,175 in 2017 to \$1,598,330 in 2021 (Table 1). The decrease due to COVID-19 was 42% (\$1,175,555), between 2020 and 2021 (Table 2).
11. For TEIs the largest decrease occurred before COVID-19, between 2018 and 2019. The value dropped by 28% (\$1,473,115), from \$5,317,780 in 2018 to \$3,844,665 in 2019 (Table 5).

Table 5: Value of Delivery (2018-2019)			Change between 2018 and 2019	
TEO Type	2018	2019	Value of Delivery	Percentage
Te Pūkenga	\$2,626,255	\$1,739,155	-\$887,100	-34%
University	\$2,246,115	\$1,592,420	-\$653,695	-29%
Wānanga	\$445,410	\$513,090	\$67,680	15%
TEI Total	\$5,317,780	\$3,844,665	-\$1,473,115	-28%
Private Training Establishment	\$12,793,675	\$12,088,455	-\$705,220	-6%
Industry Training	\$505,700	\$508,900	\$3,200	1%
Total	\$18,617,150	\$16,442,025	-\$2,175,125	-12%

12. In Industry training, the value of delivery decreased by 76% (\$289,345), from \$382,400 in 2017 down to \$93,055 in 2021 (Table 1). COVID-19 impacted their delivery by 51% (\$96,145), between 2020 and 2021 (Table 2).
13. Te Pūkenga (57%) and Transitional Industry Training Organisations (51%) experienced the largest decrease in value of delivery between 2020 and 2021 (Table 4).
14. Annual data from 2017-2021 on value of investment, learner numbers and EFTS and STM numbers is provided in Appendix 1. Data caveats are set out in Appendix 2.

We will support the sector as it rebuilds in line with WDC and RSLG advice and overall ROVE outcomes

15. As the sector rebuilds, we look forward to increasing our support for education and training for the tourism industry. In line with the Reform of Vocational Education and the evidence on returns to learners, we expect that support to be concentrated in work-based learning over time. Our investment will be increasingly influenced by the advice of Ringa Hora, the workforce development council covering the tourism sector and the Government's industry transformation plan for the tourism sector.



Nina Ive

Acting Deputy Chief Executive, Strategy and Design

Tertiary Education Commission

28 February 2022



Hon Chris Hipkins

Minister of Education

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APPENDIX 1: TABLES

Table 6: Number of Learners (2017-2021)						Change between 2020 and 2021	
TEO Type	2017	2018	2019	2020	2021	Learners	Percentage
Te Pūkenga	640	600	415	315	140	-175	-56%
University	480	425	320	235	190	-45	-19%
Wānanga	100	65	70	15	15	0	0%
TEI Total	1,220	1,090	805	565	350	-215	-38%
Private Training Establishment	2,950	2,640	2,525	2,340	1,575	-765	-33%
Industry Training	490	665	605	325	175	-150	-46%
Total (Distinct learners)	4,625	4,345	3,905	3,225	2,090	-1,135	-35%

Table 7: Volume of Delivery (EFTS and STMS) (2017-2021)						Change between 2020 and 2021	
TEO Type	2017	2018	2019	2020	2021	Volume of Delivery	Percentage
Te Pūkenga	410	390	265	215	90	-125	-58%
University	385	350	240	185	140	-45	-24%
Wānanga	85	55	55	15	<5	-15	88%
TEI Total	885	795	560	410	230	-180	-44%
Private Training Establishment	2,065	1,905	1,800	1,710	1,005	-705	-41%
Industry Training	120	160	160	60	30	-30	-50%
Total	3,070	2,860	2,520	2,180	1,265	-915	-42%

Table 8: Value of Delivery (2017-2021)						Change between 2020 and 2021	
TEO Type	2017	2018	2019	2020	2021	Value of Delivery	Percentage
Te Pūkenga	\$2,806,410	\$2,626,255	\$1,739,155	\$1,428,325	\$612,380	-\$815,945	-57%
University	\$2,470,785	\$2,246,115	\$1,592,420	\$1,236,735	\$972,605	-\$264,130	-21%
Wānanga	\$728,980	\$445,410	\$513,090	\$108,825	\$13,345	-\$95,480	-88%
TEI Total	\$6,006,175	\$5,317,780	\$3,844,665	\$2,773,885	\$1,598,330	-\$1,175,555	-42%
Private Training Establishment	\$13,953,640	\$12,793,675	\$12,088,455	\$11,806,945	\$7,103,395	-\$4,703,550	-40%
Industry Training	\$382,400	\$505,700	\$508,900	\$189,200	\$93,055	-\$96,145	-51%
Total	\$20,342,215	\$18,617,150	\$16,442,025	\$14,770,030	\$8,794,780	-\$5,975,250	-40%

APPENDIX 2: DATA CAVEATS

Data is as at 16-02-2022 for the 2017 and 2021 reporting years and has been sourced through Qlik app > Regional Comparisons and Trends
The Regional Comparisons and Trends Qlik app combines information reported through the Single Data Return (SDR) and Industry Training Register (ITR)
2021 data is interim and has not been finalised. Values are therefore subject to revision as data is updated.
Results are based on information reported through the Single Data Return (SDR) and the Industry Training Register (ITR) for the purposes of funding tertiary education. The data does not include any reporting outside of the SDR or ITR and relies on the accuracy of data reported by TEOs.
Data relates to the following Qualification/Programme detailed NZSCED: > 080323 - Tourism Management > 080701 - Tourism Studies
The New Zealand Standard Classification of Education (NZSCED) is a subject-based classification system for courses and qualifications at TEOs in receipt of Government funding. Please refer to the education counts website for more information on NZSCED. https://www.educationcounts.govt.nz/data-services/code-sets-and-classifications/new_zealand_standard_classification_of_education_nzsced
Data relates to the following funds: > Student Achievement Component (SAC) > Youth Guarantee > Industry Training
Actual funding received by the TEO can be more, or less, than the value of delivery due to the application of funding caps, payments for over-delivery, and other funding conditions.
TEC funding is based on EFTS/STM delivery. Equivalent full-time student (EFTS) is a measure of consumption of education (or the size of a qualification in relation to workload). One EFTS unit is defined as the learner workload that would normally be carried out in a single academic year (12-month period) by a learner enrolled full-time, and generally equates to 120 credits on the New Zealand Qualifications Framework (NZQF). An STM is defined as the amount of training that is required for a trainee to achieve 120 credits (or its equivalent) in an approved structured training programme.
All learner values in this information request have been rounded to the nearest five. Where values are less than five, the actual value has not been provided for privacy
This data has been compiled specifically to respond to this question. It uses administrative data collected by the Tertiary Education Commission for the purposes of funding tertiary education. Care should be taken when making comparisons with data collected or compiled for other purposes.