

Tertiary Education Report: April 2019 Fees-Free Enrolment Update

| | | | |
|------------------------|----------------|------------------------------|------------|
| Date: | 27 August 2019 | TEC priority: | Medium |
| Security level: | In Confidence | Report no: | B-19-01086 |
| | | 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 30 April 2019;</p> <p>Note the TEC has provided similar data on standard enrolments a separate briefing [B-19-01085];</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 | s9(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:**
 Approved
 Declined
 Noted
 Needs change
 Seen
 Overtaken by Events
 See Minister's Notes
 Withdrawn

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 30 April 2019;
2. **note** the TEC has provided similar data on standard enrolments in a separate briefing [B-19-01085];
3. **agree** to proactively release this briefing.

AGREED / NOT AGREED



Gillian Dudgeon

Deputy Chief Executive, Delivery
Tertiary Education Commission

27 August 2019

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 30 April 2019 for all tertiary education organisations (TEOs) and includes demographic data.
2. Due to the complexity of the fees-free data, which has involved discussions with the Ministry of Education (MoE) on reporting, there have been delays in reporting on enrolments. We do not anticipate similar delays in reporting August enrolment data to you.

There were 42,025 learners enrolled in fees-free eligible qualifications as at April 2019

3. There were 42,025 unique eligible students or trainees (learners) enrolled in eligible qualifications for the first four months of 2019, 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 2019 and learners who have carried over from 2018, excluding 155 multi-enrolments or learners enrolled in more than one TEO.
4. This compares with 33,300 unique eligible students or trainees (learners) enrolled in eligible qualifications for same period last year, who received a financial benefit from fees-free. This number excludes the 200 multi-enrolments or learners enrolled in more than one TEO.
5. Table 1 compares 2018 and 2019 April enrolments. It includes the variance between new April 2018 and 2019 enrolments, but excludes the carry over learners from 2018. The data indicates that the enrolments of new, eligible learners between 2018 and 2019 has not increased significantly.

Table 1: Number of students or trainees receiving a financial benefit from fees-free for April 2019 and 2018

| Tertiary Education Organisation Type | April 18 enrolments | April 19 enrolments | | Variance | |
|---|--------------------------------------|--|--------------------------------------|--|-------------|
| | Students/ trainees new in 2018 | Students/ trainees carried over from 2018 | Students/ trainees new in 2019 | Students/ Trainees (New to New) | % |
| Universities | 21,100 | 3,080 | 21,252 | 152 | 0.7% |
| Institutes of Technology & Polytechnics | 7,500 | 2,174 | 7,465 | -35 | -0.5% |
| Wānanga | 100 | 13 | 98 | -2 | -2.0% |
| Total Tertiary Education Institutions | 28,700 | 5,267 | 28,815 | 115 | 0.4% |
| Private Training Establishments | 3,600 | 714 | 4,065 | 465 | 12.9% |
| Section 321 | - | - | 14 | - | - |
| Total Tertiary Education Providers | 32,300 | 5,981 | 32,894 | 594 | 1.8% |
| Industry Training Organisations | 1,200 | 2,122 | 1,183 | -17 | -1.4% |
| Total Tertiary Education Organisations | 33,500 | 8,103 | 34,077 | 577 | 1.7% |

6. Taking into account carry overs from 2018, the number of learners receiving a financial benefit for the first time in 2019 shows small to no increases in enrolments compared to April 2018.
7. The pattern for Industry Training Organisations (ITOs) is distinct; as at 30 April 2019 the majority of their 2019 enrolments are from learners carried over from 2018. Looking back at 2018 enrolment patterns it is likely due to rolling intakes; by August 2018 ITO enrolments had increased to 2,600 and up to 4,845 learners by December 2018. The carry overs in Table 1 suggest that many of the learners who started later in 2018 are still receiving a financial benefit in 2019.

8. Table 2 provides the overall total number of enrolments as at 30 April 2019. The cumulative number of learners receiving a financial benefit from fees-free policy since 1 January 2018 to April 2019 is 81,096 (first time learners from 2018 (47,019) and new 2019 enrolments as at 30 April (34,077)):

Table 2: Number of students or trainees receiving a financial benefit from fees-free for April 2019

| Tertiary Education Organisation Type | April 19 enrolments | | Total 2019 students/trainees |
|---|-------------------------------|--|------------------------------|
| | Students/trainees new in 2019 | Students/trainees carried over from 2018 | |
| Universities | 21,252 | 3,080 | 24,332 |
| Institutes of Technology & Polytechnics | 7,465 | 2,174 | 9,639 |
| Wānanga | 98 | 13 | 111 |
| Total Tertiary Education Institutions | 28,815 | 5,267 | 34,082 |
| Private Training Establishments | 4,065 | 714 | 4,779 |
| Section 321 | 14 | - | 14 |
| Total Tertiary Education Providers | 32,894 | 5,981 | 38,875 |
| Industry Training Organisations | 1,183 | 2,122 | 3,305 |
| Total Tertiary Education Organisations | 34,077 | 8,103 | 42,180 |
| Excluding multi-enrolments | | | 155 |
| Total number of unique students and trainees | | | 42,025 |

9. Like 2018, the majority of fees-free eligible enrolments are in universities (57.7%) and industry training and polytechnics (ITPs) (22.9%). Private training establishments (PTEs) (11.3%), wānanga (less than 1%) and ITOs (7.8%) are much less common for learners accessing a fees-free financial benefit.
10. As noted in our previous briefings, the wānanga fees-free enrolments are low for a couple of reasons. Many of the students that are 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 also many programmes offered at the wānanga which were “fees free” prior to the introduction of the fees-free policy. Therefore, students enrolled in these programmes will not be receiving a financial benefit from the fees-free policy.
11. In total for 2019, the government paid \$ 238,925,323 (GST inclusive) for fees-free enrolments as of 30 April 2019. Broken down by provider and ITO, \$ 231,961,046 went to study at TEIs and PTEs and \$6,964,277 to ITOs.

Non-Māori and Non-Pacific learners are the main recipients of fees-free

12. April 2019 enrolments show a similar demographic trend as 2018, with the majority of learners receiving a financial benefit identifying with ethnic groups that are non-Māori and non-Pacific. As Table 3 shows, 73.2% (30,754) learners identify with ethnic groups that are non-Māori and non-Pacific, compared with 15.9% of Māori learners and 10.6% of Pacific learners.
13. Of the 15.9% of fees-free Māori learners, the majority are enrolled at university and ITPs. 7.3% and 4.7% respectively. Pacific learners have a slightly different enrolment pattern; of the 10.7%, 6.1% are enrolled at university and 2.2% at PTEs.

Table 3: April 2019 enrolments by ethnicity

| Tertiary Education Organisation Type | Māori Students/ trainees | April 19 enrolments | | Total students/ trainees |
|---|-----------------------------|----------------------------------|--|--------------------------------|
| | | Pacific Students/ trainees | Non- Māori and Non-Pacific Students/ trainees | |
| Universities | 3,054 | 2,562 | 18,932 | 24,685 |
| Institutes of Technology & Polytechnics | 1,970 | 838 | 6,734 | 9,808 |
| Wānanga | 91 | 21 | 9 | 122 |
| Private Training Establishments | 1,075 | 938 | 2,583 | 4,894 |
| Section 321 | - | - | - | 14 |
| Industry Training Organisations | 511 | 158 | 2,565 | 3,320 |
| Less Multi-enrolments | 19 | 68 | 69 | 157 |
| Unique Students & Trainees | 6,682 | 4,449 | 30,754 | 42,686 |

14. The totals in Table 3 include 661 learners that identify both as Māori and Pacific. They also include 801 learners that we do not have ethnicity data for.
15. Comparatively, looking just at Student Achievement Component (SAC) enrolments at levels 3 and above at 30 April 2019, the overall percentage of Māori and Pacific students enrolled is similar to fees free. Māori make up approximately 16.8% and Pacific make up 9% of all SAC enrolments.

Table 4: Fees-free April 2019 enrolments by ethnicity compared to all SAC enrolments

| SAC Level 3+ | | | | |
|---------------------------|--------------|------------|--------------------|------------|
| Ethnicity | All students | | Fees-free students | |
| | Students | Proportion | Students | Proportion |
| Māori | 38,254 | 16.8% | 6,190 | 14.5% |
| Pacific Peoples | 20,440 | 9.0% | 4,359 | 10.2% |
| Non-Māori and Non-Pacific | 171,705 | 75.5% | 28,258 | 66.2% |

16. Table 5, compares fees-free learners enrolled in industry training funded (ITF) programmes relative to all ITF learners. It shows similar proportions of ethnic groups across the two cohorts. The exception to this is Pacific Peoples where a smaller portion are taking up fees-free relative to the wider industry training peers.

Table 5: Fees-free April 2019 enrolments by ethnicity compared to all ITF enrolments

| Industry Training Fund | | | | |
|---------------------------|--------------|------------|--------------------|------------|
| Ethnicity | All learners | | Fees-free learners | |
| | Students | Proportion | Students | Proportion |
| Māori | 14,961 | 17.8% | 511 | 15.4% |
| Pacific Peoples | 6,982 | 8.3% | 158 | 4.8% |
| Non-Māori and Non-Pacific | 67,056 | 79.8% | 2,565 | 77.3% |

Limitations of the data

17. The following section outlines the limitations of the data used in this briefing.
18. Overall, the data used was compiled specifically to respond to this question. It uses administrative data collected by the TEC for the purposes of funding tertiary education. Care should be taken when making comparisons with other data collected or compiled for other purposes.

Caveats for the fees-free data

19. The analysis above reflects TEO reporting received for 30 April 2019 and learner (students and trainees) eligibility as at 2 May 2019. All provider data relates to claims for the full year of study. Industry training organisations (ITOs) data relates to an enrolment in a fees-free eligible programme.
20. Learners who have not received a financial benefit in 2018 but have consumed some or all of their fees-free entitlement in EFTS (provider based study) or funded months (ITO training) are excluded from this analysis.
21. The figures may change as the result of:
- a. Further reconciliations to the April 2019 SDR and ITR have been completed
 - b. Any further reviews requested by a TEO of their data and/or payment allocation have been completed (there are current reviews underway)
 - c. Any further reviews requested by learners of their eligibility status have been completed.

Caveats for ethnicity data

22. Learners can be counted up to three times if they have disclosed three ethnicities and thus can be counted more than once. We have not included totals for this reason.

We will continue to update you on 2019 enrolments

23. We will provide you with further 2019 fees-free enrolments updates following the August enrolment returns in October.
24. In consultation with the MoE, we have split out the fees free reporting to better align with their fees-free monitoring framework. The TEC will report to you on:
- a. Enrolment information aligned to our three reporting periods (April, August and December), and included in-year demographic information;
 - b. Fee allocations and payments aligned to our three reporting periods (April, August and December); and
 - c. Any information relating to the eligibility of learners, including detail on statutory declarations.
25. This information will be provided in a separate briefing from our standard enrolment one to enable us to better explain the complexity of the fees-free environment. Our intention is to put these briefings up to you at the same time to ensure timely reporting.
26. We are seeking your agreement for the TEC to proactively release this document. This will enable us to better respond to information and data requests.