

## Tertiary Education Report: December 2019 Fees-Free Enrolment Update

<b>Date:</b>	15 June 2020	<b>TEC priority:</b>	Medium
<b>Security level:</b>	In Confidence	<b>Report no:</b>	B-20-00275
		<b>Minister's office No:</b>	

ACTION SOUGHT		
	Action sought	Deadline
<b>Hon Chris Hipkins</b> Minister of Education	<p><b>Note</b> the tertiary sector's fees-free enrolment data as at December 2019;</p> <p><b>Note</b> the Tertiary Education Commission has provided data on standard enrolments in a separate briefing [B-20-00276]; 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	s9(2)(a) [REDACTED] s9(2)(a) [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 Withdrawn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

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**Hon Chris Hipkins**, Minister of Education

*It is recommended that you:*

1. **note** the tertiary sector's fees-free enrolment data as at December 2019;
2. **note** the Tertiary Education Commission has provided similar data on standard enrolments in a separate briefing [B-20-00276]; and
3. **agree** to proactively release this briefing.

**AGREED** NOT AGREED



**Gillian Dudgeon**

Deputy Chief Executive, Delivery  
Tertiary Education Commission

15 June 2020



**Hon Chris Hipkins**

Minister of Education

01 / 07 / 2020

## Purpose

1. This paper provides you with an update of fees-free enrolments as at December 2019 for all tertiary education organisations (TEOs) and makes comparisons to enrolments as at December 2018.
2. The figures will differ to end-of-year 2018 and other 2019 data, which can change due to wash-up payments from learner appeals or additional learner eligibility information, reconciliation of the Student Data Return (SDR) and Industry Training Register (ITR), and further data validations.

## Summary

3. There were 58,155 learners who received a financial benefit from Fees Free in 2019.
4. There has been little change (<1%) in enrolments between 2018 and 2019 across the tertiary sector.
5. New enrolments at ITOs increased 16.6% between December 2018 and 2019.

## 58,155 learners were enrolled in fees-free eligible qualifications as at December 2019

6. There were 58,155 unique eligible students or trainees (learners) enrolled in eligible qualifications up to December 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 955 multi-enrolments or learners enrolled in more than one TEO.<sup>1</sup>
7. Since the Fees Free policy was introduced on 1 January 2018, around 94,000 unique learners have received a financial benefit from fees-free (approximately 47,000 new learners in both 2018 and 2019).
8. Between January and December 2019, the Tertiary Education Commission (TEC) paid (inclusive of GST) approximately \$292 million for fees-free enrolments, including \$167 million to universities, \$62 million to institutes of technology and polytechnics (ITPs), \$50 million to private training establishments (PTEs), and \$13 million to industry training organisations (ITOs).
9. Table 1 shows the number of enrolments from learners who received a financial benefit from fees-free as at December 2019. Consistent with 2018 enrolment patterns, the majority of enrolments were in universities (44%) and ITPs (25%).

**Table 1: Number of enrolments from learners who received a financial benefit from fees-free for December 2019<sup>1</sup>**

Tertiary Education Organisation Type	December 2019 enrolments		Total number of learners
	Learners new in 2019	Learners carried over from 2018	
Universities	22,855	3,175	26,035
Institutes of Technology & Polytechnics	12,265	2,780	15,045
Wānanga	155	20	175
<b>Total Tertiary Education Institutions</b>	<b>35,275</b>	<b>5,975</b>	<b>41,255</b>
Private Training Establishments	7,075	1,040	8,120
<b>Total Tertiary Education Providers</b>	<b>42,355</b>	<b>7,020</b>	<b>49,370</b>
Industry Training Organisations	5,555	4,185	9,735
<b>Total Tertiary Education Organisations</b>	<b>47,905</b>	<b>11,200</b>	<b>59,110</b>
<b>Excluding multi-enrolments</b>			<b>955</b>
<b>Total number of unique learners</b>			<b>58,155</b>

<sup>1</sup> Data in this table, including totals, has been rounded to the nearest 5, so the sum of individual counts may not add to the total.

10. Table 2 compares the number of new learner enrolments that received a financial benefit from fees-free from December 2018 to December 2019. The number of enrolments from new learners has slightly decreased by 130 learners (from 48,035 in December 2018 to 47,905 in December 2019).
11. The increase in new learners aged 17 and under may be due to changes made to fees-free eligibility criteria [SWC-18-Min-0101 refers].
12. Enrolments in providers dropped 2.1% (920 enrolments) between December 2018 and December 2019.
13. ITOs increased enrolments significantly by 16.6% (790). The largest increases were at The Skills Organisation, Building and Construction Industry Training Organisation Incorporated, Motor Industry Training Organisation, and Primary Industry Training Organisation.

**Table 2: Number of enrolments in December 2018 and December 2019 from new learners who received a financial benefit from fees-free <sup>1 2</sup>**

Tertiary Education Organisation Type	December 18 enrolments	December 19 enrolments	Variance in enrolments	Percentage variance
	Learners new in 2018	Learners new in 2019		
Universities	23,835	22,855	-980	-4.1%
Institutes of Technology & Polytechnics	12,165	12,265	100	0.8%
Wānanga	165	155	-10	-6.1%
<b>Total Tertiary Education Institutions</b>	<b>36,165</b>	<b>35,275</b>	<b>-890</b>	<b>-2.5%</b>
Private Training Establishments	7,110	7,075	-35	-0.5%
<b>Total Tertiary Education Providers</b>	<b>43,275</b>	<b>42,355</b>	<b>-920</b>	<b>-2.1%</b>
Industry Training Organisations	4,765	5,555	790	16.6%
<b>Total Tertiary Education Organisations</b>	<b>48,035</b>	<b>47,905</b>	<b>-130</b>	<b>-0.3%</b>

14. As noted in our previous briefings, the number of wānanga learners financially benefiting from fees-free is relatively low compared to other sub sectors as:
  - 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.
  - there are many programmes offered at the wānanga that were “fees free” prior to the introduction of the fees-free policy.

## **The demographic makeup of fees-free learners is unchanged**

15. Table 3 breaks down the ethnicity for new learners in 2019. Where learners can identify with more than one ethnic group, they are counted in each applicable group. The proportions of people belonging to each ethnic group therefore do not add up to 100 percent.
16. December 2019 new learners show a similar demographic trend to learners as at December 2018. The majority of learners receiving a fees-free financial benefit in December 2019 identify with being European (69%). This is followed by Māori at 18%, Asian at 14% and then Pacific People at 11%.
17. The majority of fees-free learners enrol at a university or ITP. This is the case across all ethnic groups.

<sup>2</sup> Includes multi-enrolments or learners enrolled in more than one TEO.

**Table 3: Ethnicity breakdown for new fees-free learners as at December 2019**<sup>3</sup>

New Learners December 2019							
Subsector	European	Māori	Asian	Pacific	MELAA	Other	Unknown
Universities	70%	13%	21%	11%	3%	2%	0%
Institutes of Technology & Polytechnics	73%	23%	8%	9%	2%	2%	1%
Wānanga	25%	78%	4%	28%	0%	2%	1%
Private Training Establishment	57%	25%	9%	21%	2%	2%	1%
Industry Training Organisations	75%	16%	3%	6%	2%	1%	3%
<b>Total</b>	<b>69%</b>	<b>18%</b>	<b>14%</b>	<b>11%</b>	<b>3%</b>	<b>2%</b>	<b>1%</b>

18. Analysis of new learners between December 2018 and December 2019 has identified some changes in the age group demographics. New learners aged 17 and under have increased by 36% while new learners aged 20-24 and 25-39 decreased by 6% and 12% respectively. There was little change in the numbers for those aged 18-19 or over 40.

## Data caveats

19. 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.

20. The analysis above reflects TEO reporting received for December 2019 and learner eligibility as at 4 February 2020. All provider data relates to claims for the full year of study. ITO data relates to an enrolment in a fees-free eligible programme.

21. Learners who have not received a financial benefit in 2019 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.

## Caveats for ethnicity data

22. Learners can be counted up to three times if they have disclosed three ethnicities. We have not included totals as these would be misleading for this reason.

## We will continue to update you on 2020 fees-free enrolment as data is reconciled

23. In consultation with the MoE, we have split out fees-free enrolment reporting to better align with their fees-free monitoring reporting timetable. The TEC will report to you on:

- enrolment information aligned to our three reporting periods (April, August and December), including in-year demographic information;
- fee allocations and payments aligned to our three reporting periods for the current year (April, August and December); and
- any information relating to the eligibility of learners, including detail on statutory declarations.

24. 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.

<sup>3</sup> Table 3 has been calculated using SDR and ITR data. Learners have been excluded where we do not hold any demographic information. These figures may differ from the number of learners who have financially benefited from fees-free.