

Tertiary Education Report: August 2020 Fees-Free Enrolment Update

Date:	30 October 2020	TEC priority:	Medium
Security level:	In Confidence	Report no:	B-20-00704
		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 August 2020;</p> <p>Note the Tertiary Education Commission has provided data on Student Data Return (SDR) and Industry Training Register (ITR) enrolments in a separate briefing [B-20-00674]; 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)	§ 9(2)(a)	✓

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

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 Withdrawn

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 August 2020;
2. **note** the Tertiary Education Commission has provided data on Student Data Return (SDR) and Industry Training Register (ITR) enrolments in a separate briefing [B-20-00674]; and
3. **agree** to proactively release this briefing.

AGREED / NOT AGREED



Gillian Dudgeon

Deputy Chief Executive, Delivery
Tertiary Education Commission

30 October 2020



Hon Chris Hipkins

Minister of Education

17 / 12 / 2020

Purpose

1. This paper provides you with an update of fees-free enrolments as at August 2020 for all tertiary education organisations (TEOs) and makes comparisons to enrolments as at August 2019.
2. The figures may differ to end-of-year 2019 and other 2020 data previously reported, 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.
3. Enrolments are cumulative and increase from January to December during the calendar year. The figures used include learners who were eligible for funding between January and August 2020.

Summary

4. There have been 50,815 learners who received a financial benefit from fees-free in 2020 in the period covered by this memo.
5. The number of new learners accessing fees-free for the first time declined by 3,755 (8.7%) between August 2019 and August 2020.
6. The decline in fees-free students is likely primarily due to the introduction of the Targeted Training and Apprenticeship Fund (TTAF) on 1 July 2020. From 1 July 2020 until 31 December 2022, all apprentices that would have been covered by Fees-free, will now be covered by the TTAF. In addition, fees-free eligible learners in sub-degree level TTAF qualifications will also be covered from 1 July 2020, instead of through Fees Free.

50,815 fees-free eligible learners were enrolled as at August 2020

7. There were 50,815 fees-free eligible students or trainees (learners) enrolled up to August 2020, 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 2020 and learners who have continued their studies and carried over their entitlement from 2019, excluding 645 multi-enrolments or learners enrolled in more than one TEO.¹
8. Since the Fees Free policy was introduced on 1 January 2018, around 133,000 learners have received a financial benefit from fees-free.
9. Between January and August 2020, Tertiary Education Commission (TEC) paid (inclusive of GST) approximately \$265 million for fees-free enrolments, including \$165 million to universities, \$52 million to Te Pūkenga, \$41 million to private training establishments (PTEs), and \$7 million to Transitional Industry Training Organisations (Transitional ITOs).
10. Table 1 shows the number of enrolments from learners who had received a financial benefit from fees-free as at August 2020. As seen in 2018 and 2019, the majority of enrolments continue to be in universities (50%) and ITPs (26%).

¹ All values in this briefing have been rounded to the nearest 5. Due to rounding, total values may not add up exactly to the underlying values.

Table 1: Number of enrolments from learners who received a financial benefit from fees-free (as at August 2020)¹

August 2020 enrolments			
Tertiary Education Organisation Type	Learners new in 2020	Learners carried over from 2019	Total number of learners
Universities	21,940	3,405	25,345
Te Pūkenga	10,025	3,100	13,125
Wānanga	135	25	165
Total Tertiary Education Institutions	32,100	6,530	38,630
Private Training Establishments	5,275	1,140	6,415
Total Tertiary Education Providers	37,370	7,675	45,045
Transitional Industry Training Organisations	1,820	4,595	6,415
Total Tertiary Education Organisations	39,190	12,270	51,460
Excluding multi-enrolments			645
Total number of unique learners			50,815

39,190 new fees-free eligible learners enrolled in fees-free tertiary qualifications for the first time

- The number of new fees-free learners as at August 2018 and August 2019 (year-to-date) was steady at around 42,500 in each year. In August 2020, the number of enrolments from new learners decreased by 3,755 (down from 42,945 to 39,190) compared with August 2019.
- This represents a decrease of 8.7% in total fees-free learners. Please refer to paragraphs 15-18 for an explanation of how the introduction of TTAF may have contributed to the decrease.
- Table 2 compares the number of new learner enrolments that received a financial benefit from Fees Free in August 2019 to August 2020.

Table 2: Number of enrolments in August 2019 and August 2020 from new learners who received a financial benefit from fees-free^{1, 2}

Tertiary Education Organisation Type	August 2019 enrolments	August 2020 enrolments	Variance in enrolments	Percentage variance
	Learners new in 2019	Learners new in 2020		
Universities	22,604	21,940	-664	-2.9%
Te Pūkenga	11,361	10,025	-1,336	-11.8%
Wānanga	145	135	-10	-6.9%
Total Tertiary Education Institutions	34,110	32,100	-2,010	-5.9%
Private Training Establishments	5,961	5,275	-686	-11.5%
Total Tertiary Education Providers	40,071	37,370	-2,701	-6.7%
Transitional Industry Training Organisations	2,874	1,820	-1,054	-36.7%
Total Tertiary Education Organisations	42,945	39,190	-3,755	-8.7%

- 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.

² Includes multi-enrolments or learners enrolled in more than one TEO.

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

The introduction of TTAF has reduced the number of learners benefitting from fees-free

15. The TTAF supports learners to undertake vocational education and training without fees. TTAF covers fees from 1 July 2020 for a range of training programmes and all apprenticeships at sub-degree level for learners. The decrease in new fees-free benefitting learners within industry training and some provider-based provision at sub degree level is due to the introduction of TTAF.
16. This is most evident in the 36.7% decrease in fees-free eligible learners reported by Transitional ITOs. The decrease is a result of large numbers of industry training programmes (including all apprenticeships) now being eligible for TTAF funding. For enrolments from July 2020 until December 2022, there will no apprenticeships covered by fees-free. All apprenticeships and most traineeships will be covered by TTAF.
17. The decreases at PTEs (-11.5%) and Te Pūkenga (-11.8%) may be due to the proportion of TTAF eligible sub-degree level programmes offered. Universities are less affected by TTAF as the majority of their learners are enrolled above sub-degree level.
18. TTAF was introduced part way through the academic year. Fees-free, on the other hand, will be operational for the full year. Consequently some learners will appear in both fees-free and TTAF at different stages over the year. We will know more about the full impact of TTAF on fees-free enrolments after the April 2021 SDR and finalised full year ITR enrolment data is available. Early analysis of available TTAF data shows that:
 - 7,855 learners who had financially benefitted from fees-free in 2020 were enrolled in a TTAF eligible programme on or after 1 July 2020.
 - Since 1 July 2020, 74,770 learners have become eligible for TTAF funding. Of these, 17,185 learners (23% of all TTAF learners) started training/study since 1 July 2020 [B-20-00674 refers]. Some of these learners may have been able to access fees-free prior to the introduction of TTAF.

The demographic makeup of fees-free learners is unchanged

19. Table 3 breaks down the ethnicity for new learners in 2020³.
20. New learners in 2020 show a similar demographic trend to learners in 2018 and 2019. As at August 2020, the majority of learners receiving a fees-free financial benefit identify with being European (69%). This is followed by Māori at 17%, Asian at 14% and then Pacific People at 11%.

³ A learner may identify with more than one ethnicity and so will be counted in each ethnicity they identify with. The proportions of people belonging to each ethnic group therefore do not add up to 100 percent.

Table 3: Ethnicity breakdown for new fees-free learners as at August 2020 ⁴

Subsector	New Learners August 2020						
	European	Māori	Asian	Pacific	MELAA	Other	Unknown
Universities	70%	13%	20%	10%	3%	2%	0%
Te Pūkenga	72%	21%	7%	9%	2%	2%	0%
Wānanga	22%	80%	1%	28%	0%	0%	1%
Private Training Establishment	55%	24%	8%	21%	2%	3%	0%
Transitional Industry Training Organisations	75%	18%	3%	6%	1%	1%	4%
Total	69%	17%	14%	11%	2%	2%	1%

21. The number of learners aged over 25 years-old decreased by 23.6% in the same period when compared to August 2019. This may reflect the higher proportion of learners aged over 25years-old enrolled in TTAF eligible programmes [B-20-00674 refers].
22. In contrast, the number of learners aged under 25 years-old decreased by 7.5%. This age group accounts for 91% of all fees-free learners as at August 2020, up from 90% in August 2019.

Caveats of the data

23. The analysis above reflects TEO fees-free reporting received for August 2020 and learner eligibility as at 16 September 2020. All provider data relates to claims for the full year of study. Transitional ITO data relates to an enrolment in a fees-free eligible programme.
24. Learners who have not received a financial benefit in 2020 but have consumed some or all of their fees-free entitlement, in EFTS (provider based study) or funded months (Transitional ITO training), are excluded from this analysis.

We will update you following the December 2020 SDR

25. We will provide you with a fees-free enrolment update following completion of the December 2020 SDR.

⁴ 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.