

Tertiary Education Report: December 2021 Fees-free and TTAF Enrolment Update

Date:	13 May 2022	TEC priority:	Medium
Security level:	In Confidence	Report no:	B-22-00217
		Minister's office No:	

ACTION SOUGHT		
	Action sought	Deadline
Hon Chris Hipkins Minister of Education	<p>Note the tertiary sector's fees-free and Targeted Training and Apprenticeship Fund (TTAF) enrolment data as at December 2021;</p> <p>Note the Tertiary Education Commission (TEC) has provided data on December 2021 enrolments in a separate briefing [B-22-00073]; 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
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Minister's Office to Complete: <input type="checkbox"/> Approved <input type="checkbox"/> Noted <input type="checkbox"/> Seen <input type="checkbox"/> See Minister's Notes	<input type="checkbox"/> Declined <input type="checkbox"/> Needs change <input type="checkbox"/> Overtaken by Events <input type="checkbox"/> Withdrawn
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Comments:

Recommendations

Hon Chris Hipkins, Minister of Education

It is recommended that you:

1. **note** the tertiary sector's fees-free and Targeted Training and Apprenticeship Fund (TTAF) enrolment data as at December 2021;
2. **note** the Tertiary Education Commission (TEC) has provided data on December 2021 enrolments in a separate briefing [B-22-00073]; and,
3. **agree** to proactively release this briefing.

AGREED / NOT AGREED



Gillian Dudgeon

Deputy Chief Executive, Delivery
Tertiary Education Commission

13 May 2022



Hon Chris Hipkins

Minister of Education

30 / 06 / 22

Purpose

1. This paper provides you with an update of fees-free and Targeted Training and Apprenticeship Fund (TTAF) enrolments as at December 2021 for all tertiary education organisations (TEOs), and makes comparisons to enrolments in previous periods as outlined below:
 - a. Fees-free December 2021 enrolments are compared to enrolments as at December 2020.
 - b. TTAF December 2021 enrolments are compared to enrolments between July 2020¹ and December 2020.
 - c. Note we would typically compare enrolment trends across the same monthly periods, for example by comparing December 2020 enrolments to December 2021 enrolments. As TTAF was not introduced until 1 July 2020, we have instead compared TTAF enrolments in the six months from July 2020 to December 2020, to enrolments in the 12 months from January 2021 to December 2021. This has allowed us to examine any shifts that have occurred across periods, particularly following the expansion of TTAF target areas in January 2021. When more data is available, we may revise our approach to TTAF comparisons for 2022.
2. The figures will differ to end-of-year 2020 and 2021 data, which can change due to wash-up payments from fees-free learner appeals or additional learner eligibility information, reconciliation of the Single Data Return (SDR) and Industry Training Register (ITR), and further data validations.
3. Enrolments for Fees Free and TTAF are cumulative and increase from January to December during the calendar year. The figures used include enrolments between January and December 2021.

Summary

4. As at December 2021, 179,745 learners have benefited from Fees Free since it was introduced in January 2018. TTAF has supported 183,745 learners since it was introduced on 1 July 2020².
5. From January to December 2021, 207,920 learners were supported by Fees Free and TTAF. Most of these learners were supported by TTAF (78% or 161,200 learners), while the remaining 23% benefited from Fees Free (47,880 learners)³. A small number of learners were supported by both schemes (1% or 1,160 learners)⁴.

Fees Free

6. There were 47,880 learners who received a benefit from Fees Free as at December 2021 [Table 1 refers].

¹ TTAF was introduced on 1 July 2020 and covers programme fees up until 31 December 2022.

² 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.

³ Note that this briefing focuses on learner numbers and not EFTS and STMs delivered for Fees Free and TTAF. The majority of Fees-free learners are enrolled in 120 credit degrees and certificates for the full year, whereas credit values for TTAF programmes can vary and are generally smaller in comparison.

⁴ There are several reasons why learners may be covered by both initiatives in the same period. The most common scenario is when first-time learners enrol in courses specifically covered by Fees Free, while also being enrolled in TTAF eligible programmes.

- a. Of these, 38,715 new learners accessed Fees Free for the first time and 9,165 learners carried over their fees-free entitlement from previous years.
 - b. Age demographics shifted slightly from December 2020, with learners aged under 25 representing 90% of fees-free learners, up from 88% in December 2021. This shift may be related to learners in apprenticeships, who are now covered by TTAF, having an older age profile than other fees-free learners.
 - c. Ethnicity demographics of fees-free learners in 2021 were similar to 2020 with most learners identifying as European (69%), followed by Māori (17%), Asian (15%) and Pacific people (12%).
 - d. Female learners represented 61% of fees-free learners, and males represented 38% [Figure 3 refers]⁵.
7. Compared with December 2020, the total number of learners enrolled in Fees Free fell by 10,080 learners (-17%). Following the introduction of TTAF, most learners in industry-based training that were previously covered in Fees Free are now supported by TTAF. The impact of TTAF on fees-free enrolment numbers was most notable in the transitional-industry training organisation (transitional-ITO) subsector, where fees-free enrolments fell by 7,475 learners (-99%) from December 2020.
- a. The number of provider-based fees-free enrolments decreased by 2,650 learners (-5%) in the same period, down from 50,445 learners in 2020 to 47,795 learners in 2021.

TTAF

8. Since the TTAF initiative was introduced, 183,745 learners have been supported by TTAF as at December 2021 [Table 3 refers].
- a. Most of these learners were enrolled in the *Construction* target area (57,535 learners or 31% of all TTAF learners), followed by *Community Support* (34,870 learners or 19%), and *Primary Industries* (33,400 learners or 18%).
9. There were 161,200 learners supported by TTAF between January 2021 and December 2021.
- a. The number of learners supported by TTAF has increased by 58,260 (57%) compared to the July to December 2020 period, when 102,940 learners were supported by TTAF.
 - b. Most TTAF learners were aged 25 and over, with 73% of provider-based⁶ TTAF learners and 64% of TTAF apprentices⁷ and trainees falling in this age group. This contrasts with fees-free learners, who are skewed toward a younger age demographic with 90% of learners aged under 25 [Figure 1 refers]. The older age profile for TTAF reflects the broader focus on learners accessing training regardless of prior study, and not their first period of tertiary study, as is the case for Fees Free.
 - c. Most TTAF apprentices and industry trainees identified as European (56%), followed by Māori (19%), Asian (13%), and Pacific people (9%), while most TTAF

⁵ In April 2021, Stats NZ updated its sex and gender statistical standards. The "Gender diverse" response category was changed to "Another gender". The remaining 1% of learners were recorded as Another gender. Note that the Another gender reporting option is only available in the SDR.

⁶ All TTAF provider-based learner enrolment numbers in this briefing exclude managed apprenticeships.

⁷ All TTAF apprenticeship enrolment numbers in this briefing include New Zealand Apprenticeships, managed apprenticeships, and modern apprenticeships.

provider-based learners identified as European (56%), followed by Māori (19%), Asian (20%), and Pacific people (10%) [Figure 2 refers].

- d. Overall, 75% of all TTAF apprentices and industry trainees in December 2021 identified as male, while 25% identified as female. In comparison, gender demographics for provider-based TTAF learners were more even, with 53% of learners identifying as male and 47% identifying as female [Figure 3 refers]⁵.

Background: Fees Free and TTAF

10. Fees Free was introduced on 1 January 2018 for first-time tertiary students in their first year of provider-based study or trainees in their first two years of industry training. It is intended to financially support learners, with their fee payments being covered by the government, with payments capped at \$12,000 (including GST) per learner.
11. On 1 July 2020, the TTAF was introduced to cover fees for learners in all apprenticeships and a range of sub-degree level programmes until 31 December 2022⁸. It targets 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.
12. Following the introduction of TTAF, all apprenticeships and a range of sub-degree level programmes that would have been covered by Fees Free are now covered by the TTAF. This has contributed to decreases in Fees Free enrolments, particularly in the transitional-ITO subsector [B-21-00219 refers].
13. Fees Free and TTAF have different focuses. Fees Free is learner-focused and intended to support first-time students and trainees. TTAF is programme-focused and targeted toward programmes within specific industry areas, regardless of whether learners have previously enrolled in tertiary education.
14. Note that first-time learners are still able to maintain their fees-free entitlement and eligibility if they are supported by TTAF. This means that learners may enrol in programmes covered by TTAF for the duration of the initiative and may still benefit from their fees-free entitlement for the first year(s) of non-TTAF funded study.

47,880 fees-free eligible learners were enrolled as at December 2021

15. Overall, there were 47,880 fees-free eligible students or trainees (learners) enrolled as at December 2021 who received a benefit from Fees Free. This number is a combination of learners who benefited for the first time in 2021 and learners who have continued their studies and carried over their fees-free entitlement from previous years. This count excludes 940 multi-enrolments or unique learners enrolled in more than one TEO.
16. Since the Fees Free policy was introduced on 1 January 2018, over 179,745 learners have received a benefit.

⁸ 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.

17. Between January and December 2021, TEC paid (inclusive of GST) approximately \$283 million⁹ for fees-free enrolments. These payments consisted of \$194 million to universities, \$51 million to Te Pūkenga¹⁰, and \$38 million to private training establishments (PTEs).
18. Overall, the average financial benefit for each fees-free learner was approximately \$5,900¹¹. The average financial benefit was highest in the university subsector, at \$6,700 per learner, followed by PTEs at \$5,900, Te Pūkenga at \$4,100, wānanga at \$800, and transitional-ITOs at \$700¹².
19. Table 1 shows the number of enrolments from learners who received a benefit from Fees Free as at December 2021.

Table 1: Number of learners who received a benefit from Fees Free (as at December 2021)^{2,13}

Tertiary Education Organisation Type	New Learners in 2021	Learners carried over	Total number of learners
Te Pūkenga	9,000	3,350	12,345
Universities	24,675	4,415	29,095
Wānanga	340	145	485
Total Tertiary Education Institutions	33,840	7,845	41,685
Private Training Establishments	5,060	1,305	6,365
Total Tertiary Education Providers	38,670	9,125	47,795
Transitional-Industry Training Organisations	50	40	90
Total Tertiary Education Organisations	38,715	9,165	47,880
Total enrolments	39,510	9,310	48,820
Multi-enrolments	790	145	940

20. In December 2021, 61% of all fees-free enrolments were in the university subsector. This was a large increase compared to December 2020 when 45% of all fees-free enrolments were at universities. As most fees-free learners are enrolled in degree-level or above study, universities were less affected by the introduction of TTAF than other subsectors.
21. Fees-free enrolments in the transitional-ITO subsector have decreased significantly (-98%) following the introduction of TTAF in July 2020. Most learners enrolled in transitional-ITOs, who would have previously benefited from Fees Free, were covered by TTAF in 2021.

New fees-free eligible enrolments have declined

22. Table 2 compares the number of new learners who received a benefit from Fees Free in December 2020 to December 2021.

⁹ Dollar values have been rounded to the nearest million. Due to rounding, underlying values may not add up exactly to total values. Note that TEC paid the wānanga and transitional-ITO subsectors less than one million dollars.

¹⁰ Te Pūkenga stood up on 1 April 2020 and brings together 16 Institutes of Technology and Polytechnics (ITPs) into one organisation.

¹¹ Average financial benefit dollars values have been rounded to the nearest hundred. Due to rounding, underlying values may not add up exactly to total values.

¹² Note that wānanga and transitional-ITOs tend to have lower course costs in comparison to the other subsectors.

¹³ 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 new learners in December 2020 and December 2021 who received a benefit from Fees Free ²

Tertiary Education Organisation Type	New learners in December 2020	New learners in December 2021	Change in number of learners	Percentage change
Te Pūkenga	12,520	9,000	-3,520	-28%
Universities	22,495	24,675	2,180	10%
Wānanga	445	340	-105	-24%
Total Tertiary Education Institutions	35,245	33,840	-1,405	-4%
Private Training Establishments	6,480	5,060	-1,420	-22%
Total Tertiary Education Providers	41,500	38,670	-2,830	-7%
Transitional-Industry Training Organisations	2,015	50	-1,965	-98%
Total Tertiary Education Organisations	43,495	38,715	-4,780	-11%

23. The total number of new fees-free learners declined by 4,780 (-11%) from 43,495 in December 2020 to 38,715 in December 2021. This decline is a combination of both provider-based and TITO-based learners and is primarily due to the introduction of TTAF.

24. The university subsector was the only subsector to show growth in new fees-free learners in 2021 compared to 2020. It increased by 2,180 learners from December 2020 to December 2021. The university subsector represented 64% of all new enrolments in December 2021. This was a 12 percentage point increase from December 2020 when universities represented 52% of all new learner enrolments. The increase was offset by large decreases new fees-free learners at Te Pūkenga (-3,520), transitional-ITOs (-1,965), and PTEs (-1,420) as many learners within these subsectors were covered by TTAF rather than Fees Free.

The demographic makeup of fees-free learners has shifted, with more learners aged under 25 and more female learners

25. The age demographics of fees-free learners have shifted slightly, with learners aged under 25 representing 90% of learners in December 2021 compared to 88% in December 2020.

- a. Most learners were aged between 18 and 19 years old in December 2021 (66%), up five percentage points from December 2020 (61%).
- b. The average age of fees-free learners in December 2021 was 20.7 years old.
- c. The shift in age demographics from December 2020 to December 2021 may be related to people in apprenticeships having an older age profile than other fees-free learners, and who are now covered by TTAF.

26. The gender distribution shifted considerably from 52% female in December 2020 to 61% in December 2021. This is likely due to programmes previously covered by Fees Free now being covered by TTAF. With most TTAF learners being male, this would impact the gender distribution in Fees Free.

183,745 learners were supported by TTAF from July 2020 to December 2021

27. Overall, 183,745 learners have been supported by TTAF since the initiative was introduced on 1 July 2020. Table 3 shows the number of TTAF enrolments by TTAF target area and learner type (apprentices, trainees, students) from July 2020 to December 2021.

Table 3: Number of enrolments supported by TTAF from July 2020-December 2021, by TTAF target area and learner type ^{2,6,7 8,14}

TTAF target area	Apprenticeships	Industry training ¹⁵	Provider-based learners	Total number of learners	% of total TTAF learners
<i>Apprenticeships only (not in a TTAF target area)</i>	14,980	-	-	14,980	8%
<i>Community Support</i>	4,185	18,630	13,345	34,870	19%
<i>Conservation</i>	-	-	100	100	<1%
<i>Construction</i>	40,650	6,870	11,895	57,535	31%
<i>Electrical Engineering</i>	10,265	2,125	4,730	16,250	9%
<i>Information Technology</i>	-	-	4,735	4,735	3%
<i>Manufacturing and Mechanical Engineering and Technology</i>	7,625	14,130	2,965	24,005	13%
<i>Primary Industries</i>	8,165	13,710	13,220	33,400	18%
<i>Road Transport</i>	35	210	755	1,000	<1%
Total number of unique learners	85,575	55,260	50,960	183,745	100%

28. From July 2020 to December 2021, most learners supported by TTAF were enrolled in the *Construction* target area (57,535 learners or 31%), followed by *Community Support* (34,870 learners or 19%) and *Primary Industries* (33,400 learners or 18%).

29. Overall, most learners supported by TTAF are enrolled in apprenticeships (85,575 learners, or 47%), followed by industry training (55,260 learners or 30%), and provider-based learners (50,960 learners or 28%).

30. The most popular TTAF target areas for each learner type were as follows:

- a. For apprentices, most TTAF enrolments were in *Construction* (40,650 learners or 22% of all TTAF learners), followed by *Apprenticeships not in TTAF target areas*¹⁶ (14,980 learners or 8% of all TTAF learners), and *Electrical Engineering* (10,265 learners or 6% of all TTAF learners).
- b. For industry training learners, most TTAF enrolments were in *Community Support* (18,630 learners or 10% of all TTAF learners), followed by *Manufacturing and Mechanical Engineering and Technology* (14,130 learners or 8% of all TTAF learners) and *Primary Industries* (13,710 learners or 7% of all TTAF learners).
- c. For provider-based learners, the highest numbers of TTAF enrolments were in *Community Support* (13,345 learners or 7% of all TTAF learners), *Primary*

¹⁴ The learner numbers provided are distinct counts. This means that learners are counted once within each target area and training scheme where they are studying, and only once in the total.

¹⁵ Industry Traineeships are training programmes that do not meet the New Zealand Apprenticeship credit and level criteria. Traineeships are often smaller programmes, at lower qualification levels, that suit established workers wanting to update or increase their skills.

¹⁶ Examples include Automotive engineering, Hairdressing, Aquatics, and Retail.

Industries (13,220 learners or 7% of all TTAF learners), and *Construction* (11,895 learners or 6% of all TTAF learners).

TTAF enrolments have significantly increased from July-December 2020 to January-December 2021

31. Table 4 shows the number of TTAF enrolments by subsector and learner type (apprentices, industry trainees, provider-based learners) from January to December 2021.

Table 4: Number of learners supported by TTAF from January-December 2021, by learner type ^{2,6,7,14}

Tertiary Education Organisation Type	Apprenticeships	Industry training ¹⁵	Provider-based learners	Total number of learners
Te Pūkenga ¹⁷	3,750	-	30,550	34,100
Universities	-	-	790	790
Wānanga	-	-	615	615
Total Tertiary Education Institutions	3,750	-	31,925	35,475
Private Training Establishments	1,360	<5	11,530	12,870
Total Tertiary Education Providers	5,110	<5	43,105	47,985
Transitional-Industry Training Organisations	73,970	45,525	-	116,845
Total number of unique learners	77,815	45,525	43,105	161,200

32. Between January and December 2021, 161,200 learners were supported by TTAF. This was a 57% increase over the July to December 2020 period, when 102,940 learners were supported by TTAF¹⁸.

33. In December 2021, most TTAF learners were enrolled in transitional-ITOs (72%) followed by Te Pūkenga (21%). This is a shift from 2020, when 79% of TTAF learners were enrolled in transitional-ITOs and 17% of learners were enrolled in Te Pūkenga.

34. Between July to December 2020 and January to December 2021, the transitional-ITO subsector had the biggest increase in learner enrolments, accounting for 61% of the overall increase (up 35,600 learners) from 2020.

35. Te Pūkenga experienced the next largest increase of 16,995 learners (29% of the growth). This was partly due to the expansion of TTAF target areas in January 2021, which resulted in increased Te Pūkenga enrolments in the *Information Technology* and *Community Support* target areas.

36. Most learners supported by TTAF in 2021 were enrolled in apprenticeships, representing 48% of all TTAF learners (77,815 learners). This was followed by industry trainees at 28% (45,525 learners), and provider-based learners who represented 27% (43,105 learners).

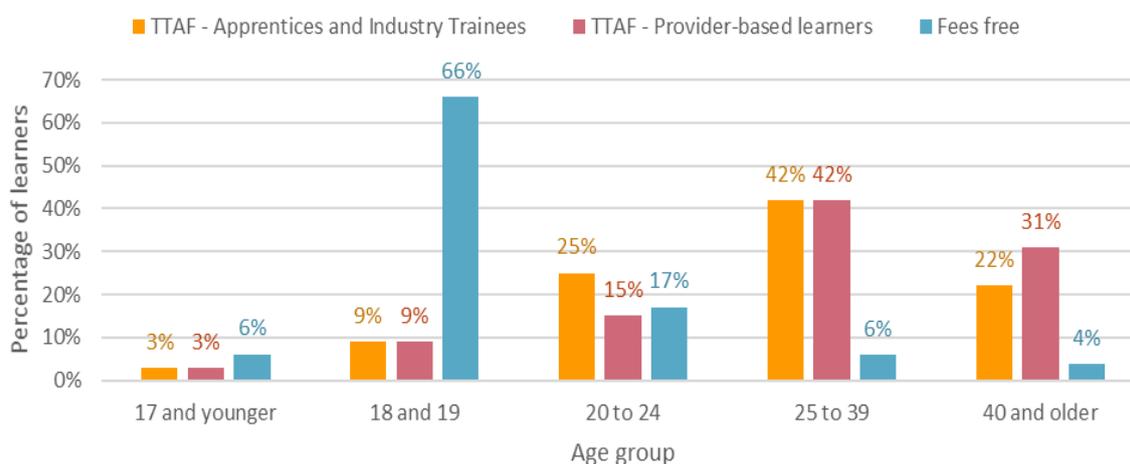
¹⁷ Te Pūkenga Work Based Learning learners are included in the Transitional-Industry Training Organisation learner counts and are excluded from Te Pūkenga's learner counts.

¹⁸ Enrolment numbers in 2021 include people who started study or training in 2020 and are continuing study or training in 2021.

2021 TTAF learner demographics differed from fees-free learners: more representation of male learners, older learners, and more ethnic diversity

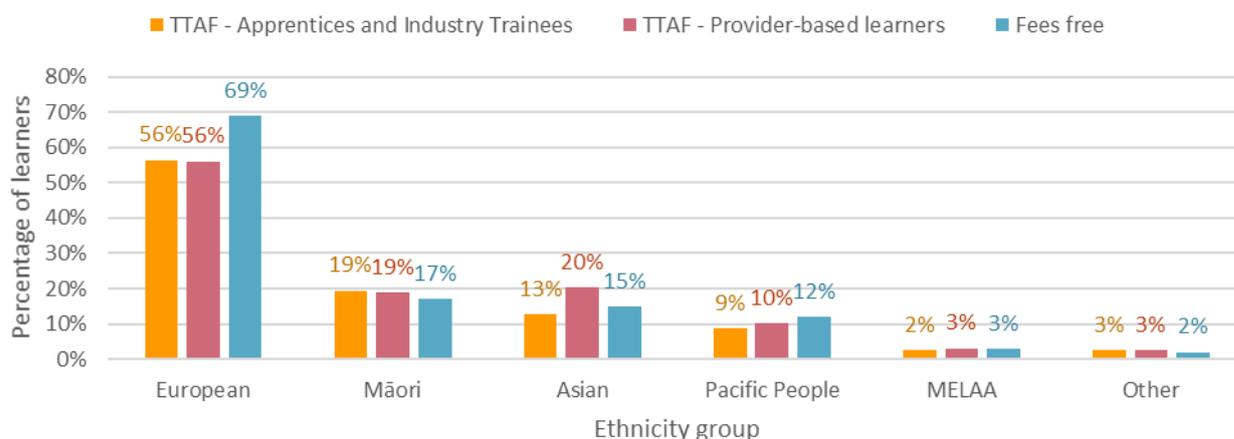
37. There were distinct differences when comparing the demographics of TTAF apprentices and trainees and TTAF provider-based learners. These groups were comprised of learners that have different age, ethnicity, and gender demographics.
38. Between January and December 2021, most learners (106,680 learners or 66%) supported by TTAF were aged 25 and over. Within this age group, 25- to 39- year-olds represented 42% of all TTAF learners (67,295 learners). Learners aged under 25 represented 34% of TTAF learners (54,520 learners).
39. Figure 1 compares the age demographics of TTAF apprentices and industry trainees, TTAF provider-based learners, and fees-free learners from January to December 2021.

Figure 1: Age breakdown for TTAF apprentices and industry trainees, TTAF provider-based learners, and fees-free learners from January to December 2021^{6,7}



40. Fees-free learners are much younger than TTAF learners. The average age of a fees-free learner in December 2021 is 20.7 years old compared to 32.0 years old for a TTAF learner. Age differences are most pronounced in the 18- and 19-year-old group, where 66% of fees-free learners were aged 18 and 19. In contrast, only 9% of TTAF provider-based learners and TTAF apprentices and trainees were aged 18 and 19 years old.
41. The age demographics of TTAF provider-based learners were slightly older than TTAF apprentices and trainees. The average age of TTAF provider-based learners was 34.1 years old. Learners aged 25 and older represented 73% of TTAF provider-based learners. In comparison, the average age of TTAF apprentices and trainees was 31.2 years old and learners aged 25 and older represented 64% of TTAF apprentices and industry trainees.
42. Figure 2 shows the ethnicity for TTAF apprentices and industry trainees, TTAF provider-based learners and fees-free learners in December 2021.

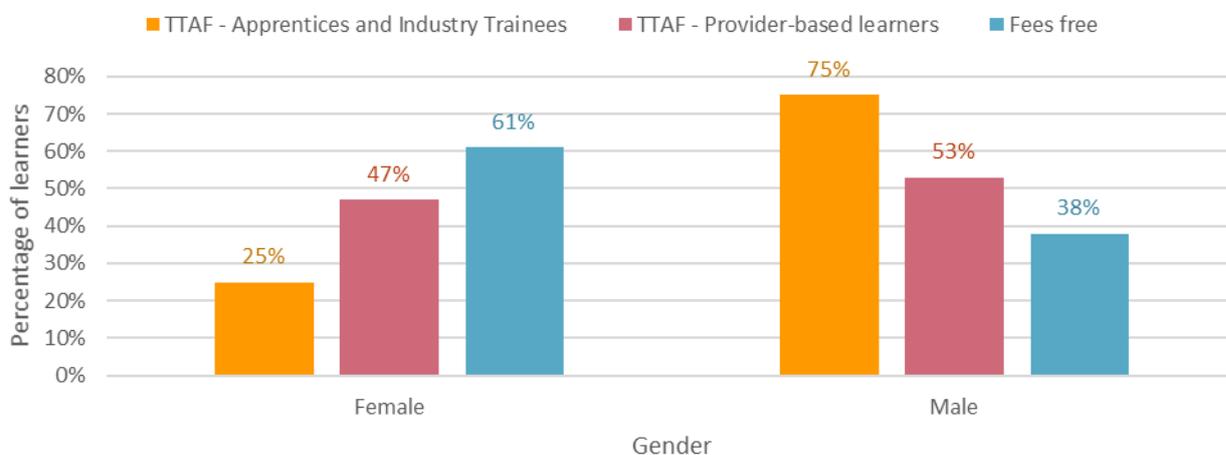
Figure 2: Ethnicity for TTAF apprentices and industry trainees, TTAF provider-based learners, and fees-free learners from January to December 2021 ^{6,7}



43. In December 2021, most TTAF apprentices and industry trainees identified as European (56%), followed by Māori (19%), Asian (13%), and Pacific people (9%). Most TTAF provider-based learners identified as European (56%), followed by Asian (20%), Māori (19%), and Pacific people (10%). Most fees-free learners were European (69%), followed by Māori (17%), Asian (15%), and Pacific people (12%).

44. Figure 3 shows gender breakdowns for TTAF apprentices and industry trainees, TTAF provider-based learners, and fees-free learners as at December 2021.

Figure 3: Gender breakdown for TTAF apprentices and industry trainees, TTAF provider-based learners and fees-free learners as at December 2021 ^{5,6,7}



45. In December 2021, most learners enrolled as TTAF apprentices and industry trainees were male, representing 75% of these learners, while 25% of these learners were female. The gender disparity among these learners was much more pronounced than for provider-based TTAF learners, where 53% of learners were male and 47% female. While TTAF learners were mostly male, the majority of fees-free learners were female (61%).

Data caveats

46. The analysis above reflects TEO fees-free and TTAF reporting received for December 2021 as at 24 March 2022.

- a. For Fees Free, all provider data relates to claims for the full year of study.
- b. For TTAF, all data relates to an enrolment in a TTAF eligible programme.

47. Note that TTAF figures are subject to revisions over time. TTAF enrolments may take several months to be processed, and enrolment numbers may change as more TTAF-eligible programmes are added and enrolments are backdated.

We will update you following the April 2022 SDR and ITR

48. We will provide you with a Fees-free and TTAF enrolment update in the second quarter of 2022, following submission of the April 2022 SDR, the ITR April 2022 update, and reconciliation of the fees-free data submitted by providers to each of these data sources.