# Tertiary Education Report: April 2025 Fees Free Enrolment Update

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| **Date:** | 29 July 2025 | **TEC priority:** | Medium |
| **Security level:** | In Confidence | **Report no:** | B-25-00932 |
| | | **Minister's office No:** | |

## ACTION SOUGHT

| | Action sought | Deadline |
|---|---|---|
| **Hon Penny Simmonds**<br>Minister for Vocational Education<br><br>**Hon Shane Reti**<br>Minister for Universities | **Note** the tertiary sector's first-year Fees Free enrolment data as at April 2025;<br><br>**Note** the Tertiary Education Commission has provided data on April 2025 enrolments in a separate briefing B-25-00830.<br><br>**Agree** for the TEC to proactively release this briefing in due course. | 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) | |

## 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☐ See Minister's Notes ☐ Withdrawn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 Penny Simmonds**, Minister for Vocational Education

**Hon Shane Reti**, Minister for Universities

*It is recommended that you:*

1. **note** the tertiary sector's first-year Fees Free enrolment data reported as at April 2025;
2. **note** the Tertiary Education Commission has provided data for April 2025 enrolments in a separate briefing B-25-00830; and
3. **agree** to proactively release this briefing.

**AGREED / NOT AGREED**



**Gillian Dudgeon**

Deputy Chief Executive, Delivery

Tertiary Education Commission

29 July 2025

**Hon Penny Simmonds**

Minister for Vocational Education

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**Hon Shane Reti**

Minister for Universities

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## Purpose

1. TEC routinely briefs you on Fees Free enrolments after each Single Data Return (SDR) submission. These briefings are for your information only.

2. This paper provides you with an update of first-year Fees Free enrolments for the scheme's transition period in the 2025 calendar year, reported as at April 2025. It compares enrolments in April 2025 to enrolments in April 2024.

3. On 29 April 2024, Cabinet agreed to replace first-year Fees Free with a final-year Fees Free scheme from 1 January 2025, whereby payments of eligible learner fees will be made following completion of their study programme [CAB-24-MIN-0148.81 – Initiative ID 15736 refers].

4. This paper also outlines the situations where students can still claim first-year Fees Free even though the scheme is being phased out.

5. Reporting on the Final year Fees free initiative will begin in 2026 once students are able to start claiming their refund of fees.

## Summary

6. Overall, Fees Free has supported 306,579 learners since it was introduced, up to April 2025[1].

7. As a result of the phasing out the first-year Fees Free policy, there has been a significant reduction in the number of learners accessing Fees Free in 2025 compared to 2024. The number of students accessing Fees Free has dropped by 83% compared to same time last year.

8. There were 8,534 learners who accessed first-year Fees Free between January and April 2025. Due to the transition criteria, there are no new learners accessing first-year Fees Free in 2025. These learners have carried over remaining Fees Free entitlement from 2024 while continuing in the same qualification or work-based programme.

    a. Age demographics shifted substantially as expected, with learners aged 18-19 decreasing sharply to 39% in 2025, and those aged 20-24 increasing to 38%. Overall, the proportion of learners under the age of 25 has remained majority making up 81% of the total.

    b. Ethnicity demographics[2] of Fees Free learners shifted slightly in 2025. There is a rise in European learners of 11 percentage points to 82%, followed by Māori of four percentage points to 22%, and MELAA learners to 4% in 2025. Meanwhile, Asian learners decreased from 14% to 10%. Pacific peoples and other learners remained stable at 10% and 2%, respectively, since 2024.

    c. Gender demographics shifted notably, with males increasing by 16 percentage points to 69% in 2025; while female learners dropped to 30% in 2025. Another gender[3] Fees Free learners remain stable at 1%.

[1] Note that this briefing focuses on learner numbers and not EFTS and STMs delivered for Fees Free. The majority of Fees Free learners are enrolled in 120 credit degrees and certificates for the full year.

[2] Learners can be counted more than once when they are reported in more than one ethnicity. Therefore, aggregated percentage values may exceed 100%.

[3] In April 2021, Stats NZ updated their sex and gender statistical standards, whereby the "Gender diverse" response category was changed to "Another gender". The Another gender reporting option is only available in the SDR, whereas the ITR does not have this reporting option.

## 8,534 Fees Free eligible learners were enrolled as at April 2025

9. Overall, there are 8,534 learners who have continued their studies and carried over the balance of their entitlement from 2024. This aligns with our forecast of 10,000 learners eligible to continue receiving first-year Fees Free in 2025.

10. Between January and April 2025, the Tertiary Education Commission (TEC) paid (inclusive of GST) $15,172,586 for Fees Free enrolments, including $5,417,372 to universities, $3,390,352 to Te Pūkenga[4], $631,666 to private training establishments (PTEs), and $12,161 to Wānanga for provider-based enrolments. The TEC also paid (inclusive of GST) over $5,721,036 for work-based enrolments. Total fees paid in 2025 is forecasted to be $23 million (inclusive of GST).

11. Overall, the average financial benefit for each Fees Free learner was almost $1,800[5] in 2025. The average financial benefit was highest at universities at $2,900 per learner, followed by PTEs at $2,400, Te Pūkenga at $2,100, Wānanga at $1,200 and work-based learning at $1,200[6].

12. Table 1 shows the number of enrolments and associated fees for learners who received a benefit from Fees Free as at April 2025.

***Table 1: Number of learners who received a benefit from Fees Free and associated fees as at April 2025*** [7, 8]

| Tertiary Education Organisation Type | Total Fees | Average Fees per learner | Learners carried over 2025 |
|---|---|---|---|
| Universities | $ 5,417,372 | $ 2,927 | 1,851 |
| Te Pūkenga | $ 3,390,352 | $ 2,149 | 1,578 |
| Private Training Establishments | $ 631,666 | $ 2,384 | 265 |
| Wānanga | $ 12,161 | $ 1,216 | 10 |
| **Total Provider-based study** | **$ 9,451,550** | **$ 2,552** | **3,702** |
| Work-based learning | $ 5,721,036 | $ 1,184 | 4,833 |
| **Total Tertiary Education Organisations** | **$ 15,172,586** | **$ 1,778** | **8,534** |

13. In 2025, most learners benefiting from Fees Free are enrolled in the work-based learning subsector, which represents 57% of all Fees Free learners. Work-based learners are entitled to up to 24 months of Fees Free (compared to 1 EFTS for provider-based learners), therefore are more likely to have entitlement remaining to carry into 2025. This shift in learners accessing fees free flows through into changes in the ethnicity and gender splits detailed below.

## The majority of Fees Free enrolments in 2025 are in sub-degree qualifications

14. Across all study and training, the highest enrolments were seen in Engineering and Related Technologies with 3,277 learners, follow by Architecture and Building with 1,712 learners and Society and Culture with 789 learners.

[4] Te Pūkenga stood up on 1 April 2020. This data excludes work-based training which was transitioned into Te Pūkenga from late 2021 through December 2022 and is reported separately in the table for all providers.

[5] Average financial benefit in dollar values have been rounded to the nearest hundred. Due to rounding, underlying values may not add up exactly to total values.

[6] Note that Wānanga and industry training providers tend to charge lower course fees in comparison to the other subsectors.

[7] Learners are counted in each subsector they enrol in and only once in the totals. This means the sum of the various subsectors may not add to the total. The 'Total enrolments' breakdown counts all learners under all qualifications and subsectors they are enrolled in. This means that 'Total enrolments' will be larger than 'Total Tertiary Education Organisations'

[8] Te Pūkenga and PTE Work-based learners are included in the Work-based learning sector learner counts and are excluded from Te Pūkenga's and PTE learner counts as they were transitioned from Transitional Industry Training Organisations over a 15-month period.

15. Most Fees Free enrolments in 2025 were in sub-degree qualifications. Enrolments in sub-degree vocational qualifications is 6,469 learners (75%). Enrolments in qualifications levels 7 degree and above is 1,998 learners (23%).

16. The number of Wānanga learners benefiting from Fees Free is relatively low compared to other subsectors as many programmes offered at the Wānanga have zero fees and are ineligible for Fees Free due to a policy change in 2023.

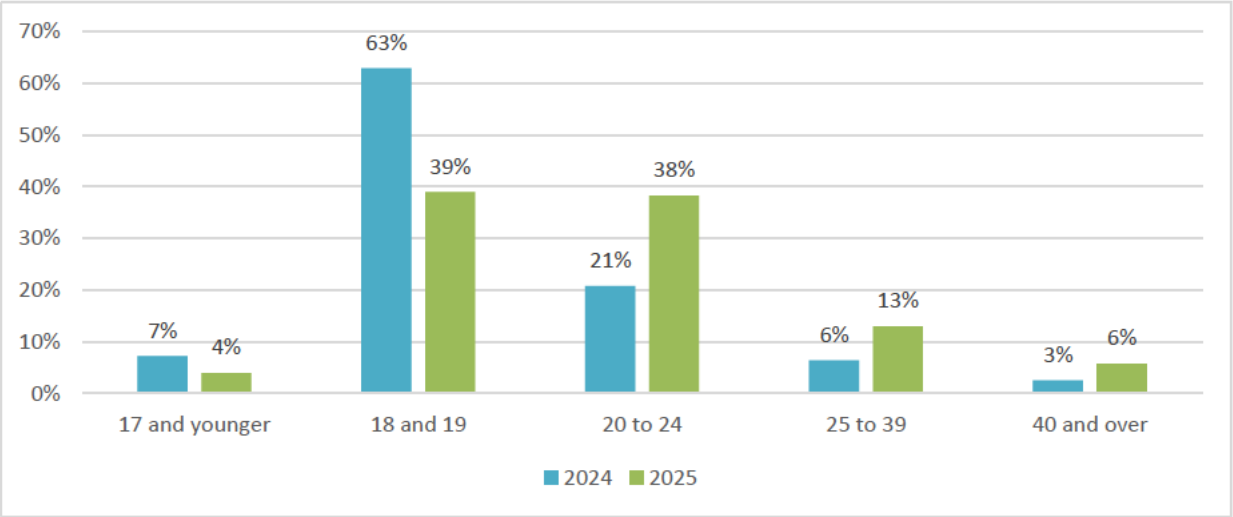
## There are significant shifts in learner demographics between 2024 and 2025

17. The changes in the eligibility of learners who are able to access Fees Free in 2025 under the transition rules has resulted in an expected shift in the age groups of Fees Free learners.

18. The average age of Fees Free learners has increased to 22.4 years, from 20.3 in April 2024.

19. Figure 1 compares the age demographics of Fees Free learners from January to April 2024 to the same period in 2025.

***Figure 1: Age breakdown of Fees Free learners from January – April 2024 and 2025*** [9, 10]




20. Learners aged under 25 represented 81% of Fees Free learners in April 2025, down 10% from April 2024.

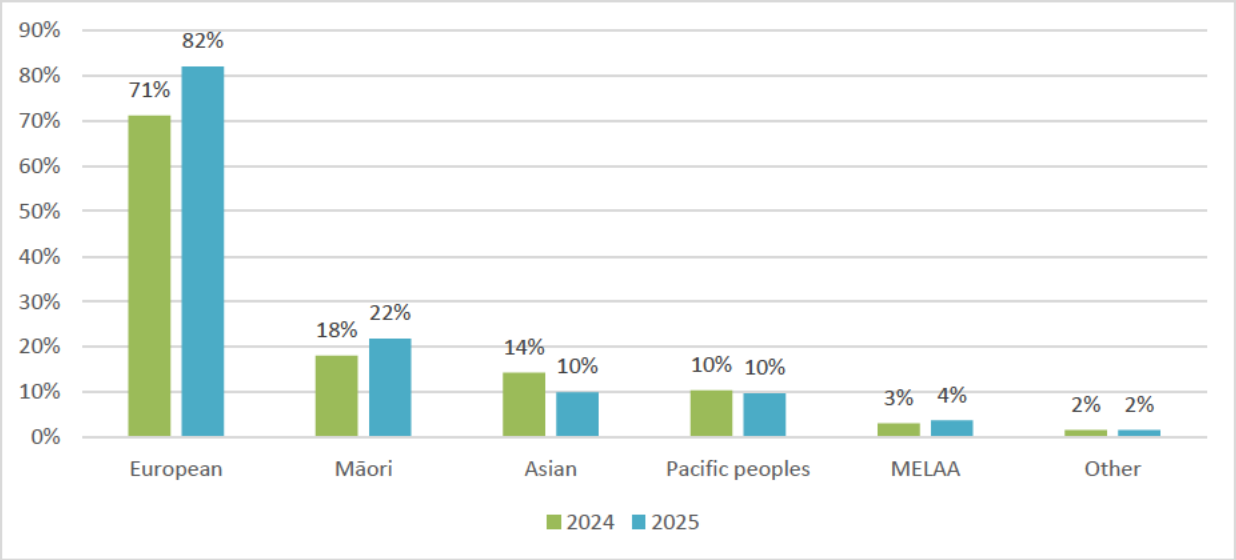
21. Within the under 25 age group there is a more noticeable shift, with learners aged 18 and 19 decreasing sharply from 63% of all Fees Free enrolments in April 2024 to 39% in April 2025, a decrease of 24 percentage points. The 20 to 24 age group has increased from 21% to 38% of total enrolments. The shift in age demographic is expected as the transition rules prevent new learners accessing first-year Fees Free in 2025 and a greater share of work-based learners.

22. Figure 2 compares the ethnicity of Fees Free learners from January to April 2025 to the same period in 2024.

[9] A learner's age is calculated as at 1 July for the corresponding year.

[10] Learners' ages have been rounded to the nearest percentage. Due to rounding, the underlying values may not add up exactly to the total values.

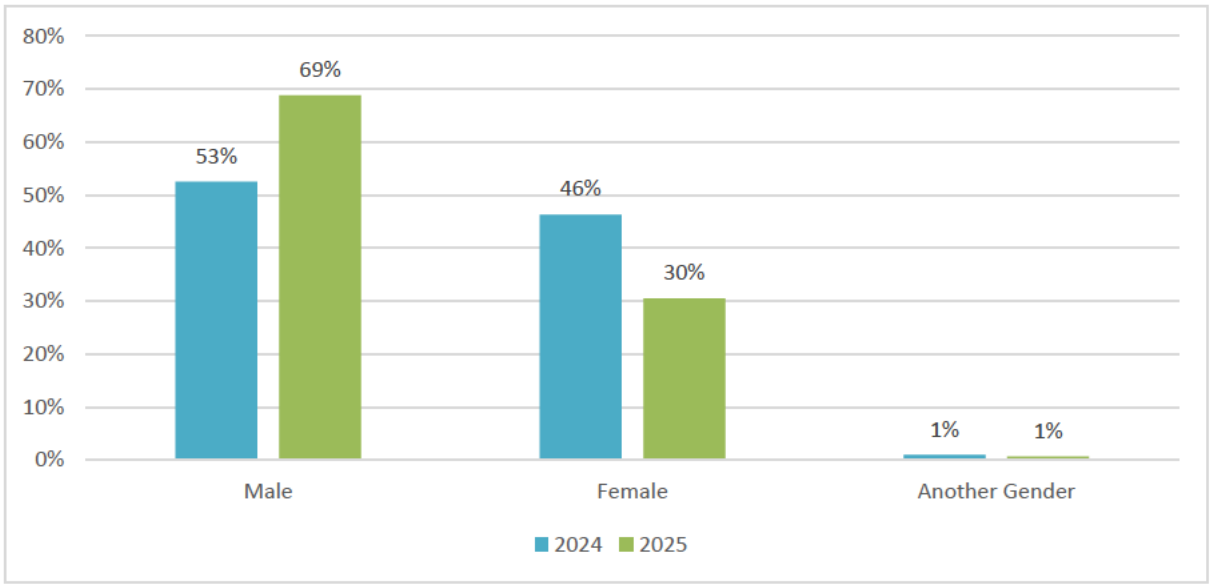
***Figure 2: Ethnicity breakdown of Fees Free learners from January – April 2024 and 2025[2]***




23. In April 2025, most Fees Free learners identified as European (82%, up from 71% in 2024), follow by Māori 22% (up from 18%), and Asian learners 10% (down from 14% in 2024). A small increase in MELAA with 4% (from 3% in 2024) while Pacific peoples and other learners remained stable at 10% and 2%, respectively, since 2024.

24. Figure 3 shows gender breakdowns of Fees Free learners from January to April 2024 and the same period in 2025.

***Figure 3: Gender breakdown of Fees Free learners from January - April 2024 and 2025***




25. In April 2025, the majority of Fees Free learners identified as male (69%), while 30% of learners identify as female, and 1% as another gender[3]. The change in gender demographics between 2024 and 2025 is due to the increase in the proportion of work-based learning which is proportionally male dominated and makes up 57% of Fees Free learners in 2025.

## Data caveats

26. The analysis above reflects TEO Fees Free reporting received as at April 2025 and eligibility as at 10 April 2025 for Fees Free.

27. The demographic data in this report cannot be used as a baseline because it reflects the phase-out of the first-year Fees Free policy. It also won't be used as the baseline for the final-year Fees Free starting in 2026.