

Tertiary Education Report: August 2021 Fees Free and TTAF Enrolment Update

Date:	02 December 2021	TEC priority:	Medium
Security level:	In Confidence	Report no:	B-21-00703
		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 August 2021;</p> <p>Note the Tertiary Education Commission (TEC) has provided data on August 2021 enrolments in a separate briefing [B-21-00657]; 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							
<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"/> 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 Withdrawn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 August 2021;
2. **note** the Tertiary Education Commission (TEC) has provided data on August 2021 enrolments in a separate briefing [B-21-00657]; and
3. **agree** to proactively release this briefing.



AGREED NOT AGREED

Gillian Dudgeon

Deputy Chief Executive, Delivery
Tertiary Education Commission

02 December 2021



Hon Chris Hipkins

Minister of Education

 09 / 12 / 2021

Purpose

1. This paper provides you with an update of Fees Free and Targeted Training and Apprenticeship Fund (TTAF) enrolments as at August 2021 for all tertiary education organisations (TEOs), and makes comparisons to enrolments in previous periods as outlined below:
 - a. Fees-free August 2021 enrolments are compared to enrolments as at August 2020.
 - b. TTAF August 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 August 2020 enrolments to August 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 eight months from January 2021 to August 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. We may revise our approach to TTAF comparisons in future, when more data is available.
2. The figures will differ to end-of-year 2020 and other 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 August 2021.

Summary

4. As at August 2021, more than 177,000 learners have financially benefited from Fees Free since it was introduced in January 2018. TTAF has supported 165,550 learners since it was introduced on 1 July 2020².
5. From January to August 2021, 187,135 learners were supported by Fees Free and TTAF. Most of these learners were supported by TTAF (76% or 142,350 learners), while the remaining 24% benefited from Fees Free (45,535 learners)³. A small number of learners were supported by both schemes (750 learners)⁴.

Fees Free

6. There were 45,535 learners who received a financial benefit from Fees Free between January and August 2021 [Table 1 refers].
 - a. Of these, 36,960 new learners accessed Fees Free for the first time and 8,575 learners carried over their fees-free entitlement from previous years.

¹ TTAF was introduced on 1 July 2020, and is operational 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.

- b. Age demographics shifted slightly from August 2020, with learners aged under 25 representing 91% of fees-free learners, up from 89% in August 2020. This age shift may be related to those in apprenticeships that had older age profile than other Fees Free learners, now being covered by TTAF.
 - c. Ethnicity demographics of fees-free learners stayed the same, with most learners identifying as European (69%), followed by Māori (17%), Asian (15%) and Pacific Peoples (11%).
 - d. Female learners represented 61% of fees-free learners, and males represented 38% [Figure 3 refers]⁵.
7. Compared with August 2020, the total number of learners enrolled in Fees Free fell by 5,280 learners (-10%). Following the introduction of TTAF, most industry trainees that were previously covered in Fees Free are now supported by TTAF. The impact of TTAF on Fees Free enrolment numbers is most notable in the transitional-industry training organisation (transitional-ITO) subsector, where fees-free enrolments fell by 6,355 learners (-99%) from August 2020.
- a. The number of provider-based fees-free enrolments increased by 740 learners (2%) in the same period, up from 45,045 learners in 2020 to 45,785 learners in 2021.

TTAF

8. Since the TTAF initiative was introduced, 165,550 learners have been supported by TTAF as at August 2021 [Table 3 refers].
- a. Most of these learners were enrolled in the *Construction* target area (53,125 learners or 32% of all TTAF learners), followed by *Community support* (30,935 learners or 19%) and *Primary Industries* (29,740 learners or 18%).
9. There were 142,350 learners supported by TTAF between January 2021 and August 2021.
- a. The number of learners supported by TTAF has increased by 39,360 (38%) compared to the July to December 2020 period, when 102,990 learners were supported by TTAF.
 - b. Most TTAF learners were aged 25 and over, with 73% of provider-based⁶ TTAF learners and 63% 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 91% 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 (58%), followed by Māori (19%), Asian (12%), and Pacific Peoples (9%), while most TTAF provider-based learners identified as European (57%), followed by Māori (19%), Asian (20%), and Pacific Peoples (10%) [Figure 2 refers].
 - d. Overall, 76% of all TTAF apprentices and industry trainees in August 2021 identified as male, while 24% identified as female. In comparison, gender demographics for

⁵ In April 2021, Stats NZ updated its sex and gender statistical standards, whereby 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 TTAF learners were more even, with 53% of learners identifying as male and 46% 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 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.

45,535 fees-free eligible learners were enrolled as at August 2021

15. Overall, there were 45,535 fees-free eligible students or trainees (learners) enrolled as at August 2021, 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 2021 and learners who have continued their studies and carried over their fees-free entitlement from previous years. This count excludes 310 multi-enrolments or unique learners enrolled in more than one TEO.
16. Since the Fees Free policy was introduced on 1 January 2018, around 177,000 learners have received a financial benefit.
17. Between January and August 2021, TEC paid (inclusive of GST) approximately \$273⁹ million for fees-free enrolments, including \$191 million to universities, \$48 million to Te Pūkenga¹⁰, and \$33 million to private training establishments (PTEs).
18. Overall, the average financial benefit for each fees-free learner was approximately \$6,000¹¹. The average financial benefit was highest in the university subsector, at \$6,600

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.

⁹ Dollars 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.

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

per learner, followed by PTEs at \$6,100, Te Pūkenga at \$4,300, wānanga at \$800 and transitional-ITOs at \$700¹².

19. Table 1 shows the number of enrolments from learners who received a financial benefit from fees-free as at August 2021.

Table 1: Number of enrolments from learners who received a financial benefit from fees-free (as at August 2021)²

Tertiary Education Organisation Type	August 2021 enrolments		
	Learners new in 2021	Learners carried over	Total number of learners
Te Pūkenga	8,345	2,815	11,160
Universities	24,280	4,555	28,835
Wānanga	365	135	505
Total Tertiary Education Institutions	32,990	7,505	40,495
Private Training Establishments	4,230	1,060	5,295
Total Tertiary Education Providers	37,220	8,565	45,785
Transitional-Industry Training Organisations	25	35	60
Total Tertiary Education Organisations	37,245	8,600	45,845
Excluding multi-enrolments	285	25	310
Total number of unique learners	36,960	8,575	45,535

20. In August 2021, 63% of all fees-free enrolments are in the university subsector. This was a large increase from August 2020, when 49% of all fees-free enrolments were at universities. Universities are less affected by the introduction of TTAF than other subsectors, as the majority of learners are enrolled in degree-level or above.

21. Fees-free enrolments in the transitional-ITO subsector continue to remain low following the introduction of TTAF in July 2020. In 2021, most learners enrolled in transitional-ITOs who would have previously benefited from fees-free are now covered by TTAF.

New fees-free eligible enrolments have declined

22. The total number of new fees-free enrolments declined by 1,945 learners (-5%) from 39,190 in August 2020 to 37,245 in August 2021. Provider-based enrolments also slightly decreased in the same period, down 155 learners (-0.4%) from 2020. The decline in new fees-free enrolments is primarily due to the introduction of TTAF.

23. Table 2 compares the number of enrolments from new learners who received a financial benefit from Fees Free in August 2020 to August 2021.

¹¹ Average financial benefit in 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.

Table 2: Number of enrolments in August 2020 and August 2021 from new learners who received a financial benefit from fees-free^{2, 13}

Tertiary Education Organisation Type	August 2020 enrolments	August 2021 enrolments	Variance in enrolments	Percentage variance
	Learners new in 2020	Learners new in 2021		
Te Pūkenga	10,025	8,345	-1,680	-16.8%
Universities	21,940	24,280	2,340	10.7%
Wānanga	135	365	230	170.4%
Total Tertiary Education Institutions	32,100	32,990	890	2.8%
Private Training Establishments	5,275	4,230	-1,045	-19.8%
Total Tertiary Education Providers	37,375	37,220	-155	-0.4%
Transitional-Industry Training Organisations	1,820	25	-1,795	-98.6%
Total Tertiary Education Organisations	39,190	37,245	-1,945	-5.0%

24. Most new fees-free enrolments were in the university subsector, which increased by 2,340 learners from August 2020 to August 2021. The university subsector represented 65% of all new enrolments in August 2021. This was a 9 percentage point increase from August 2020, when universities represented 56% of all new learner enrolments. The shift was balanced by large decreases in transitional-ITOs (-1,795), Te Pūkenga (-1,680) and PTEs (-1,045) as many learners within these subsectors are now covered by TTAF, rather than Fees Free.

25. Although there was an increase in new learner enrolments at wānanga, the number of wānanga learners financially benefiting from Fees Free is relatively low compared to other subsectors as:

- a. 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, but may be eligible for TTAF.
- b. 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 has shifted, with more learners aged under 25

26. The age demographics of fees-free learners have shifted, with learners aged under 25 years-old representing 91% of learners in August 2021, compared to 89% in August 2020.

- a. Most learners were aged between 18 and 19 years old in August 2021 (68%), up 4 percentage points from August 2020 (64%).
- b. The average age of fees-free learners in August 2021 was 20 years old.
- c. The shift in age demographics from August 2020 to August 2021 may be related to those in apprenticeships that had older age profile than other Fees Free learners, now being covered by TTAF.

¹³ Includes multi-enrolments or learners enrolled in more than one TEO.

165,550 learners were supported by TTAF from July 2020 to August 2021

27. Overall, 165,550 learners have been supported by TTAF since the initiative was introduced on 1 July 2020.

28. Table 3 shows the number of TTAF enrolments by TTAF target area and learner type (apprentices, trainees, students) from July 2020 to August 2021.

Table 3: Number of enrolments supported by TTAF from July 2020-August 2021, by TTAF target area and learner type ^{2,6,7 8,Error! Bookmark not defined.,Error! Bookmark not defined.}

Enrolments to date (July 2020 to August 2021)

TTAF target area	Apprenticeships	Industry training ¹⁴	Provider-based learners	Total number of learners	% of total TTAF learners
<i>Apprenticeships only (not in a TTAF target area)</i>	13,825	-	-	13,825	8%
<i>Community support</i>	3,495	16,305	12,015	30,935	19%
<i>Conservation</i>	-	-	100	100	<1%
<i>Construction</i>	37,100	6,180	11,305	53,125	32%
<i>Electrical Engineering</i>	9,590	1,480	4,290	14,840	9%
<i>Information Technology</i>	-	-	4,055	4,055	2%
<i>Manufacturing and mechanical engineering and technology</i>	6,795	11,540	2,620	20,420	12%
<i>Primary Industries</i>	7,490	11,380	12,135	29,740	18%
<i>Road Transport</i>	30	180	735	950	<1%
Total number of unique learners	78,060	46,720	46,730	165,550	

29. From July 2020 to August 2021, most learners supported by TTAF were enrolled in the Construction target area (53,125 learners or 32%), followed by Community support (30,935 learners or 19%) and Primary Industries (29,740 learners or 18%).

30. Overall, most learners supported by TTAF are enrolled in apprenticeships (78,060 learners, or 47%), followed by provider-based learners (46,730 learners or 28%) and industry training (46,720 learners or 28%).

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

- a. For apprentices, most TTAF enrolments were in *Construction* (37,100 learners or 22% of all TTAF learners), followed by *Apprenticeships not in TTAF target areas*¹⁵ (13,825 learners or 8% of all TTAF learners), and *Electrical Engineering* (9,590 learners or 6% of all TTAF learners).
- b. For provider-based learners, the highest numbers of TTAF enrolments, each representing 7% of all TTAF learners, were in *Primary Industries* (12,135 learners), *Community support* (12,015 learners) and *Construction* (11,305 learners).

¹⁴ 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.

¹⁵ Examples include: Automotive engineering, Hairdressing, Aquatics and Retail.

- c. For industry training learners, most TTAF enrolments were in *Community support* (16,305 learners or 10% of all TTAF learners), followed by *Manufacturing and mechanical engineering and technology* (11,540 learners or 7% of all TTAF learners) and *Primary Industries* (11,380 learners or 7% of all TTAF learners).

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

32. Between January and August 2021, 142,350 learners were supported by TTAF. This was a 38% increase from the July to December 2020 period, when 102,990 learners were supported by TTAF¹⁶.
33. In August 2021, most TTAF learners were enrolled in transitional-ITOs (72%) followed by Te Pūkenga (22%). This is a shift from 2020, when 79% of learners 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 in August 2021, accounting for 52% of the overall increase, up 20,570 learners from 2020.
35. Te Pūkenga experienced the next largest increase of 14,725 learners (37%). 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. Table 4 shows the number of TTAF enrolments by subsector and learner type (apprentices, industry trainees, provider-based learners) from January to August 2021.

Table 4: Number of enrolments supported by TTAF from January-August 2021, by learner type

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January-August 2021 enrolments				
Tertiary Education Organisation Type	Apprenticeships	Industry training ¹⁴	Provider-based learners	Total number of learners
Te Pūkenga	3,460	-	28,515	31,830
Universities	-	-	790	790
Wānanga	-	-	620	620
Total Tertiary Education Institutions	3,460	-	29,925	33,240
Private Training Establishments	115	-	9,175	9,285
Total Tertiary Education Providers	3,575	-	39,100	42,525
Transitional-Industry Training Organisations	66,655	36,875	-	101,880
Total number of unique learners	70,105	36,875	38,825	142,350

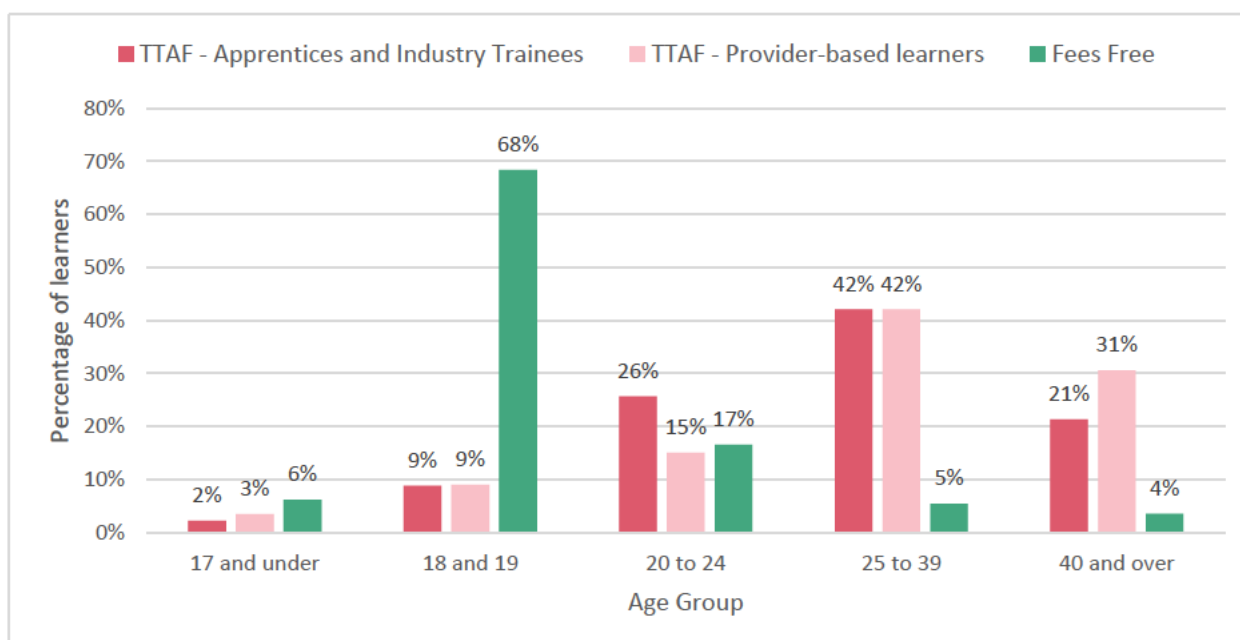
37. Most learners supported by TTAF in 2021 were enrolled in apprenticeships, representing 49% of all TTAF learners (70,105 learners). This was followed by provider-based learners at 27% (38,825 learners), and industry trainees which represented 26% (36,875 learners).

¹⁶ Enrolment numbers in 2021 include people who started study or training in 2020, and are continuing study and training in 2021.

2021 TTAF learner demographics are different to fees-free learners: more representation of male, older learners, and more ethnic diversity

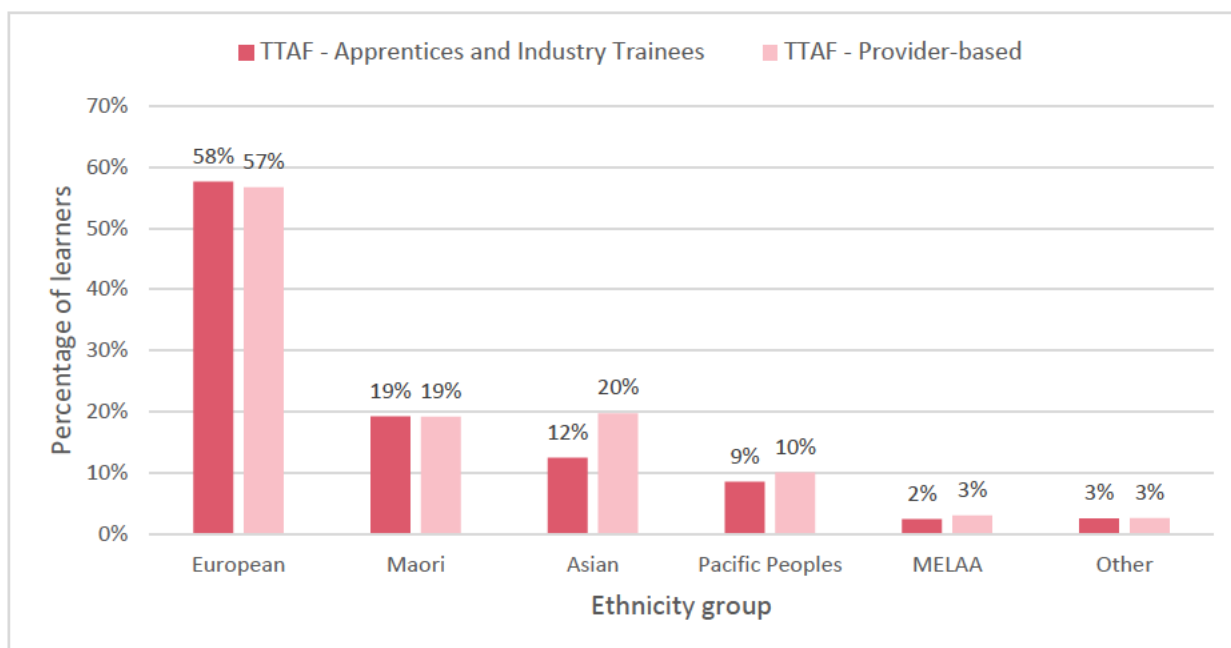
38. Between January and August 2021, most learners (66%; 93,760 learners) supported by TTAF were aged 25 and over. Within this age group, 25 to 39 year-olds represented 42% of all TTAF learners (59,800 learners). Learners aged under 25 represented 34% of TTAF learners (48,590 learners).
39. There are distinct differences when comparing the demographics of TTAF apprentices and trainees and TTAF provider-based learners. These groups are comprised of learners that have different age, ethnicity and gender demographics, as outlined below.
40. The average age of a TTAF learner in August 2021 is 30.9 years old. This compares to Fees Free, which is 20 years old. Figure 1 compares the age demographics of TTAF apprentices and industry trainees, TTAF provider-based learners and fees-free learners from January to August 2021.

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



41. Fees-free learners are much younger than TTAF learners. Age differences are most pronounced in the 18 and 19 year-old group, where 68% of Fees Free learners were aged 18 and 19. In contrast, only 9% of TTAF provider-based learners and apprentices and trainees were aged 18 and 19 years old.
42. The age demographics of TTAF provider-based learners were slightly older than TTAF apprentices and trainees. The average age of TTAF provider-based learners is 33.9 years old. Learners aged 25 and over represented 73% of TTAF provider-based learners. In comparison, the average age of TTAF apprentices and trainees is 30.7 years old, and learners aged 25 and over represented 63% of TTAF apprentices and industry trainees.
43. Figure 2 shows the ethnicity for TTAF apprentices and industry trainees and TTAF provider-based learners in August 2021.

Figure 2: Ethnicity breakdown for TTAF apprentices and industry trainees, TTAF provider-based learners as at August 2021 ^{6,7}

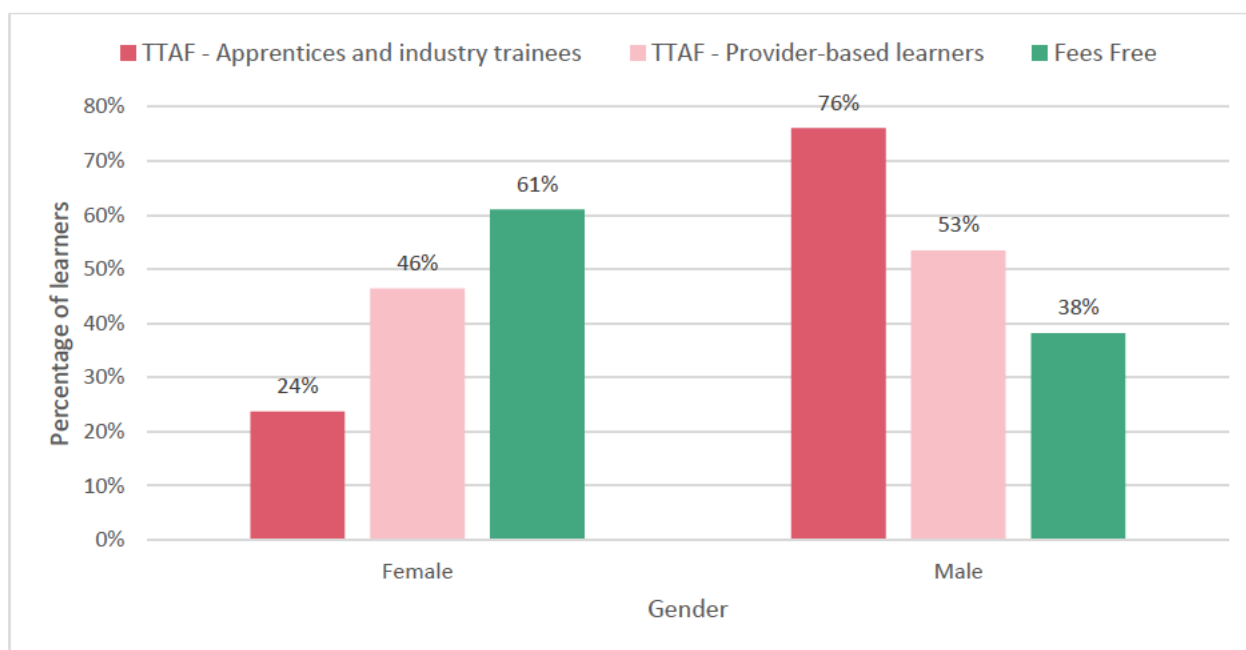


44. In August 2021, most TTAF apprentices and industry trainees identified as European (58%), followed by Māori (19%), Asian (12%), and Pacific Peoples (9%). Most TTAF provider-based learners identified as European (57%), followed by Asian (20%), Māori (19%), and Pacific Peoples (10%).

- a. TTAF provider-based learners showed a higher proportion of learners identifying as Asian (20%) than TTAF apprentices and industry trainees (12%).

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

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



46. In August 2021, most learners enrolled as TTAF apprentices and industry trainees were male, representing 76% of these learners, while 24% of these learners were female. This gender disparity was much more pronounced than for provider-based TTAF learners, where 53% of learners were male and 46% female.

47. While TTAF learners were mostly male, fees free learners were mostly female (61%).

Data caveats

48. The analysis above reflects TEO fees-free and TTAF reporting received for August 2021. The analysis reflects learner eligibility as at 12 October 2021 for fees-free, and 9 September 2021 for TTAF.

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.

49. Learners who have not received a financial benefit in 2021 but have consumed some or all of their fees-free entitlement, in EFTS (provider-based study) or funded months (industry based training), are excluded from this analysis.

50. 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 December 2021 SDR and ITR

51. We will provide you with a Fees Free and TTAF enrolment update in the second quarter of 2022, following submission of the December 2021 SDR, the ITR December 2021 update, and reconciliation of the fees-free data submitted by providers to each of these data sources.