

Tertiary Education Report: December 2022 Fees Free and TTAF Enrolment Update

Date:	11 April 2023	TEC priority:	Low
Security level:	In Confidence	Report no:	B-23-00269
		Minister's office No:	

ACTION SOUGHT		
	Action sought	Deadline
Hon Jan Tinetti Minister of Education	<p>Note the tertiary sector's Fees Free and Targeted Training and Apprenticeship Fund (TTAF) enrolment data as at December 2022;</p> <p>Note the Tertiary Education Commission has provided data on December 2022 enrolments in a separate briefing [B-23-00256]; 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]	9(2)(a) [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"/> 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 Withdrawn
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Comments:

Recommendations

Hon Jan Tinetti, 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 reported as at December 2022;
2. **note** the Tertiary Education Commission has provided data on December 2022 enrolments in a separate briefing [B-23-00256]; and,
3. **agree** to proactively release this briefing.



AGREED NOT AGREED

Deirdre Marshall

Acting Deputy Chief Executive, Delivery
Tertiary Education Commission

11 April 2023



Hon Jan Tinetti

Minister of Education

14/05/2023

Purpose

1. This paper provides you with an update of Fees Free and Targeted Training and Apprenticeship Fund (TTAF) enrolments reported as at December 2022 for all tertiary education organisations (TEOs), and makes comparisons to enrolments in previous periods as outlined below:
 - a. Fees Free 2022 enrolments, which cover the period between 1 January 2022 and 31 December 2022, are compared to enrolments for the same period in 2021.
 - b. TTAF enrolments are cumulative from the start of TTAF in July 2020¹ to December 2022, when the fund ended.
2. The figures will differ to end-of-year 2021 and other 2022 data, due to subsequent changes brought about by:
 - wash-up payments from Fees Free learner appeals or additional learner eligibility information
 - new qualifications/programmes being reviewed or added to the list of TTAF eligible programmes
 - reconciliation of the Single Data Return (SDR) and Industry Training Register (ITR)
 - further data validations.
3. Enrolments for Fees Free are cumulative during the calendar year. The figures used include enrolments between January and December 2022.

Summary

4. Overall, Fees Free and TTAF initiatives have supported more than 213,695 and 247,735 learners respectively since they were each introduced, up to December 2022^{2, 3}.
5. There were 42,700 learners who benefited from Fees Free between January and December 2022.
 - a. Of these, 33,690 were new learners who accessed Fees Free for the first time and 9,010 learners carried over their Fees Free entitlement from previous years.
 - b. Age demographics shifted slightly with learners aged under 25 representing 91% of Fees Free learners in December 2022, up from 90% in December 2021.
 - c. Ethnicity demographics⁴ of Fees Free learners stayed mostly the same, with most learners identifying as European (70%, up from 69%), followed by Māori (17%, down from 18%), Asian (16%, up from 15%), and Pacific peoples (11%, down from 12%).

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

- d. Female learners represented 60% of Fees Free learners, while males represented 39% and another gender⁵ represented 1% of Fees Free learners.
6. The number of Fees Free enrolments can be impacted by several factors such as the number of school-leavers from the secondary school system; the number of enrolments in tertiary education; and other tertiary education policies such as TTAF.
7. Compared with December 2021, the total number of learners enrolled in Fees Free fell by 5,305 learners (-11%). Learners accessing Fees Free for the first time fell by 5,115 learners (-13%).
8. Since the TTAF initiative was introduced, 247,735 learners have been supported by TTAF. Most of these learners were enrolled in the *Construction* target area (74,260 learners or 30% of all TTAF learners), followed by *Community support* (48,175 learners or 19%) and *Primary Industries* (45,985 learners or 19%).

Background: Fees Free and TTAF

9. Fees Free was introduced on 1 January 2018 for first-time tertiary students or trainees in their first year of provider-based study or first two years of industry training. It is intended to support learners with their fees funding capped at \$12,000 (including GST) per learner.
10. On 1 July 2020, TTAF was introduced to cover fees for learners in all apprenticeships and a range of sub-degree level programmes⁶. 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.
11. Following the introduction of TTAF, all apprenticeships and a range of sub-degree level programmes that would have been covered by Fees Free were covered by TTAF. This contributed to decreases in Fees Free enrolments in 2021 and 2022, particularly in the industry training subsector (B-21-00219 refers).
12. Fees Free and TTAF have different eligibility focuses: Fees Free eligibility is learner-focused and is intended to support first-time students and trainees. TTAF eligibility is programme-focused and is targeted toward programmes within specific industry areas, or where the delivery mode is an apprenticeship, regardless of whether its learners have previously enrolled in tertiary education.
13. Note that first-time learners retain 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 TTAF initiative and may still redeem their Fees Free entitlement for their first year(s) of non-TTAF funded study.
14. TTAF funding ended 31 December 2022. It is expected that the number of learners accessing Fees Free in 2023 will increase due to learners, previously supported by TTAF, using their Fees Free entitlement.

⁵ 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.

⁶ 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.

In 2022, 42,700 Fees Free eligible learners were enrolled as at December 2022

15. Overall, there were 42,700 Fees Free eligible students or trainees (learners) enrolled up to December 2022, who received a benefit from Fees Free in 2022. This number is a count of learners who received a benefit for the first time in 2022 and learners who have continued their studies and carried over their entitlement from 2018 to 2021. This count excludes 475 multi-enrolments or learners enrolled in more than one subsector.
16. Since the Fees Free policy was introduced on 1 January 2018, around 213,695 learners have received a benefit.
17. Between January and December 2022, Tertiary Education Commission (TEC) paid (inclusive of GST) approximately \$253 million⁷ for Fees Free enrolments, including \$181 million to universities, \$39 million to Te Pūkenga⁸, and \$33 million to private training establishments (PTEs). TEC paid wānanga and industry training subsectors less than one million each.
18. Overall, the average financial benefit for each Fees Free learner was approximately \$5,900⁹ in 2022. The average financial benefit was highest at universities at \$6,700 per learner (no change from 2021), followed by PTEs at \$6,000 (no change), Te Pūkenga at \$3,700 (down \$400), industry training providers at \$700 (no change) and wānanga at \$500 (down \$300)¹⁰.
19. Table 1 shows the number of enrolments from learners who received a benefit from Fees Free as at December 2022.

Table 1: Number of enrolments from learners who received a benefit from Fees Free (as at December 2022)^{2,11}

Tertiary Education Organisation Type	Learners new in 2022	Learners carried over	Total number of learners
Te Pūkenga ¹²	7,025	3,410	10,435
Universities	22,550	4,295	26,840
Wānanga	190	180	365
Total Tertiary Education Institutions	29,605	7,835	37,440
Private Training Establishments	4,300	1,185	5,485
Total Tertiary Education Providers	33,665	8,990	42,655
Industry Training Sector	25	20	45
Total Tertiary Education Organisations	33,690	9,010	42,700
Multiple enrolments	395	80	475
Total enrolments	34,085	9,090	43,175

20. In December 2022, most learners benefiting from Fees Free are enrolled in the university subsector, which represents 63% of all Fees Free enrolments. This was an increase from December 2021, when 61% of all Fees Free enrolments were at universities.

⁷ Dollar values have been rounded to the nearest million. Due to rounding, underlying values may not add up exactly to total values.

⁸ Te Pūkenga stood up on 1 April 2020 and brings together 16 Institutes of Technology and Polytechnics (ITPs) into one organisation.

⁹ 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.

¹⁰ Note that wānanga and industry training providers tend to have lower course costs in comparison to the other subsectors.

¹¹ The totals and subtotals are distinct learner number counts, while total enrolments include learners that enrol across more than one subsector.

New Fees Free eligible enrolments fall 13%

21. The total number of new Fees Free enrolments decreased in 2022, down 5,115 learners (-13.2%) from 38,805 in 2021 to 33,690. This percentage decline was greater than the total of provider-based enrolments, which showed a 4.1% decrease in enrolments from December 2021 to December 2022 [B-23-00256 refers].

22. Table 2 compares the number of enrolments from new learners who received a benefit from Fees Free in 2021 and 2022.

Table 2: Number of enrolments in 2021 and 2022 from new learners who received a benefit from Fees Free
2,11

Tertiary Education Organisation Type	Learners new in 2021	Learners new in 2022	Variance in enrolments	Percentage variance
Te Pūkenga ¹²	9,000	7,025	-1,975	-21.9%
Universities	24,690	22,550	-2,140	-8.7%
Wānanga	370	190	-180	-48.6%
Total Tertiary Education Institutions	33,875	29,605	-4,270	-12.6%
Private Training Establishments	5,120	4,300	-820	-16.0%
Total Tertiary Education Providers	38,750	33,665	-5,085	-13.1%
Industry Training Sector	55	25	-30	-54.5%
Total Tertiary Education Organisations	38,805	33,690	-5,115	-13.2%

23. Most new Fees Free enrolments were in the university subsector, which decreased by 2,140 learners (-8.7%) to 22,550 from December 2021 to December 2022. The university subsector represented 67% of all new enrolments in December 2022. This was a three percentage point increase from December 2021. The shift in proportions was due to larger percentage declines in Te Pūkenga (-1,975, -21.9%) and PTEs (-820, -16.0%).

24. The number of wānanga learners 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.

247,735 learners have been supported by TTAF from July 2020 to December 2022

25. Overall, 247,735 learners have been supported by TTAF since the initiative was introduced on 01 July 2021 to December 2022.

26. Table 3 shows the number of enrolments from learners who were supported by TTAF from July 2020 to December 2022 by TTAF target area.

¹² Te Pūkenga Work Based Learning learners are included in the Industry Training Sector learner counts and are excluded from Te Pūkenga’s learner counts.

Table 3: Number of enrolments from July 2020 to December 2022 from learners who were supported by TTAF, by TTAF target area^{2,6,13, 14}

TTAF target area	Apprenticeships ¹⁵	Industry training ¹⁶	Provider-based learners ¹⁷	Total number of learners	% of total learners
<i>Apprenticeships only (not in a TTAF target area)</i>	18,995	-	-	18,995	8%
<i>Community support</i>	6,435	24,675	20,215	48,175	19%
<i>Conservation</i>	-	-	235	235	<1%
<i>Construction</i>	51,640	9,870	16,625	74,260	30%
<i>Electrical Engineering</i>	13,045	4,110	6,785	22,135	9%
<i>Information Technology</i>	-	-	9,520	9,520	4%
<i>Manufacturing and mechanical engineering and technology</i>	9,850	21,150	4,515	34,185	14%
<i>Primary Industries</i>	9,695	20,285	18,965	45,985	19%
<i>Road Transport</i>	40	280	1,105	1,425	<1%
Total number of unique learners	108,880	79,375	76,275	247,735	

27. From July 2020 to December 2022, most learners supported by TTAF were enrolled in the *Construction* target area (74,260 learners or 30%), followed by *Community support* (48,175 learners or 19%) and *Primary Industries* (45,985 learners or 19%).

28. Overall, most learners supported by TTAF were enrolled in apprenticeships (108,880 learners, or 44%), followed by industry trainees (79,375 learners or 32%) and provider-based learners (76,275 learners or 31%).

29. The most popular TTAF target area for each learner type were as follows:

- a. For apprentices, most TTAF enrolments were in *Construction* (51,640 learners or 21% of all TTAF learners), followed by *Apprenticeships not in TTAF target areas* (18,995 learners or 8% of all TTAF learners), and *Electrical engineering* (13,045 learners or 5% of all TTAF learners).
- b. For industry trainees, most TTAF enrolments were in *Community support* (24,675 learners or 10% of all TTAF learners) followed by *Manufacturing and mechanical engineering and technology* (21,150 learners 9%) and *Primary industries* (20,285 learners or 8%).
- c. For provider-based learners, the highest numbers of TTAF enrolments were in *Community support* (20,215 learners or 8% of all TTAF learners), *Primary industries* (18,965 learners or 8%), and *Construction* (16,625 learners or 7%).

30. Table 4 shows the number of TTAF enrolments by subsector and learner type (apprentices, industry trainees, provider-based learners).

¹³ Note that this briefing will not include “new learner” and “carry-over learner” breakdowns for TTAF, as is reported for Fees Free. Some TTAF learners may have enrolled in multiple TTAF eligible programmes across the July 2020 and December 2022 period. Describing all learners that were supported by TTAF in both periods as “carry-over learners” may therefore be misleading, considering that TTAF is focused on programmes rather than learners.

¹⁴ Note that underlying values may not add to total values, as some learners are enrolled in multiple TTAF target areas or subsectors.

¹⁵ Apprenticeship enrolment numbers include New Zealand apprenticeships, managed apprenticeships, and modern apprenticeships.

¹⁶ Industry Traineeships are work-based training programmes that do not meet the New Zealand Apprenticeship credit and level criteria.

¹⁷ Provider-based learner enrolment numbers do not include managed apprenticeships. Managed apprenticeships are included under apprenticeships.

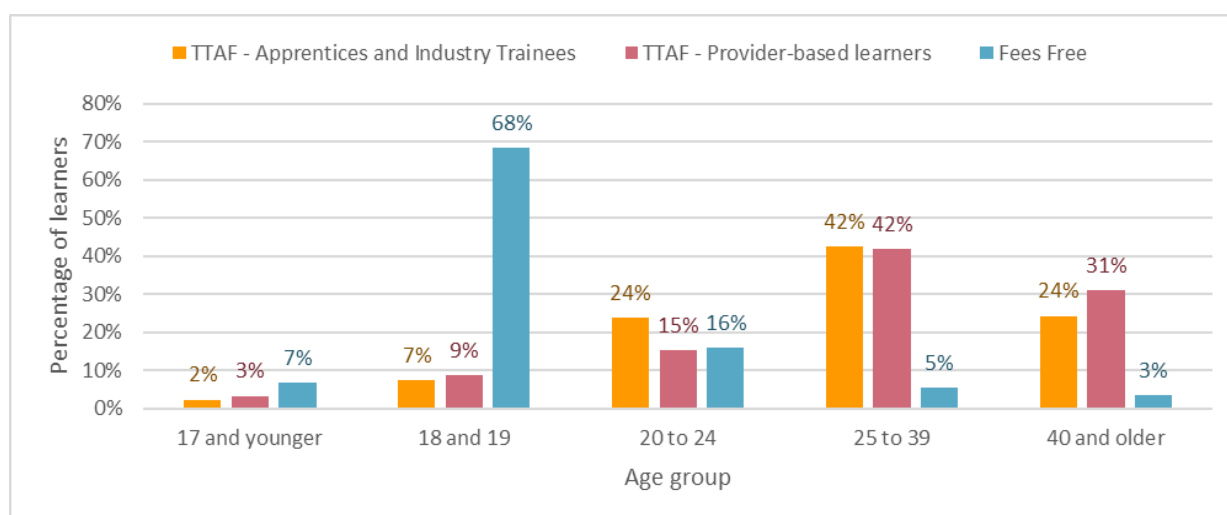
Table 4: Number of enrolments supported by TTAF from July 2020 - December 2022, by learner type
2,6,11,13,14

Tertiary Education Organisation Type	Apprenticeships ¹⁵	Industry training ¹⁶	Provider-based learners ¹⁷	Total number of learners
Te Pūkenga ¹²	5,470	-	52,840	57,495
Universities	-	-	1,285	1,285
Wānanga	-	-	1,405	1,405
Total Tertiary Education Institutions	5,470	-	55,425	60,080
Private Training Establishments	5,745	80	22,235	27,735
Total Tertiary Education Providers	11,205	80	76,275	86,125
Employer	530	-	-	530
Industry Training Sector	102,870	79,335	-	174,845
Total number of unique learners	108,880	79,375	76,275	247,735

31. The highest number of TTAF learners were apprentices enrolled at industry training providers (102,870 learners) which represented 42% of all TTAF learners. This is followed by trainees enrolled at industry training providers (79,335 learners) which represented 32% of all TTAF learners. Provider-based learners enrolled in Te Pūkenga (52,840 learners) represented 21% of all TTAF learners.

TTAF learner demographics are different to Fees Free learners

32. Figure 1 compares the age demographics of TTAF apprentices and industry trainees, TTAF provider-based learners, and Fees Free learners from January to December 2022.

Figure 1: Age breakdown for TTAF apprentices and industry trainees and TTAF provider-based learners from July 2020 - December 2022 and Fees Free learners from January 2022 - December 2022
15,16,17,18

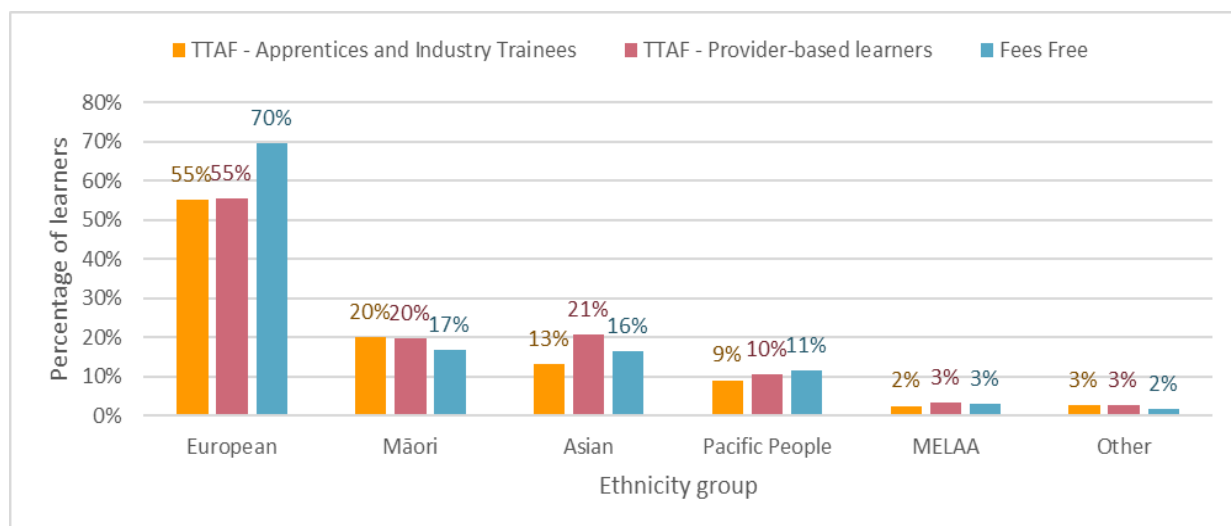
33. The age demographics of Fees Free learners are much younger than TTAF learners¹⁸. Age differences are most pronounced in the 18 and 19-year-old group, with 68% of Fees Free learners in this age-group, 9% of TTAF provider-based learners and 7% of TTAF apprentices and trainees. The average age of a Fees Free learner was 20.4 years old.

¹⁸ As TTAF figures are cumulative since 1 July 2020, the age of learners can change. If a learner is enrolled in more than one year, the learner's age is as at 1 July 2022.

34. The age demographics of TTAF provider-based learners were slightly older than TTAF apprentices and trainees. 73% of TTAF provider-based learners were aged 25 and over with an average age of 34.7 years old. In comparison, 67% of TTAF apprentices and trainees were aged 25 and over with an average age of 31.1. Only 8% of Fees Free learners were aged 25 and older.

35. Figure 2 shows the ethnicity for TTAF apprentices and industry trainees, TTAF provider-based learners, and Fees Free learners from January to December 2022.

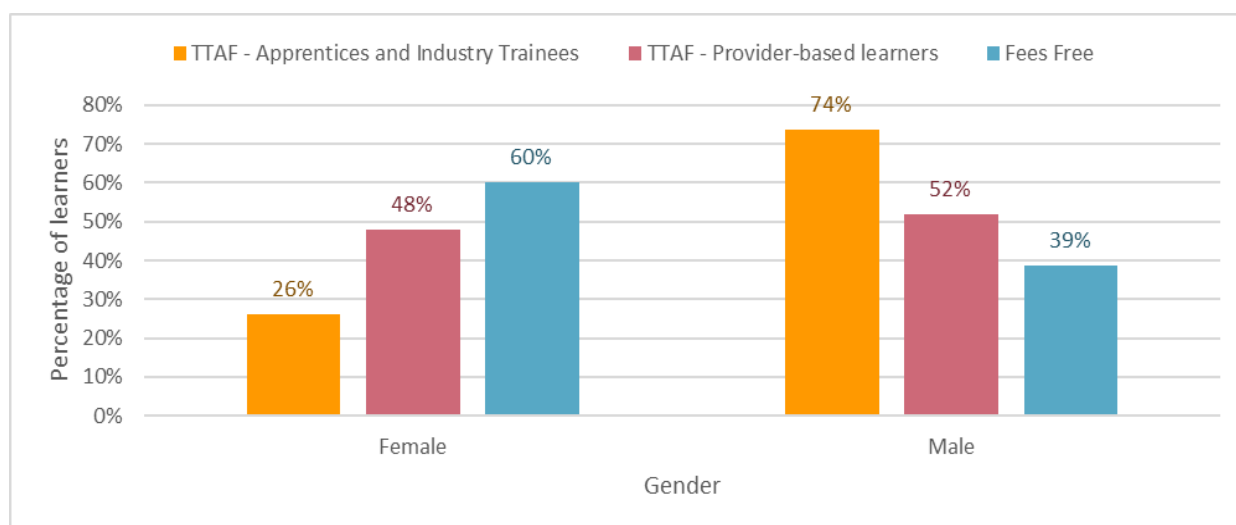
Figure 2: Ethnicity breakdown for TTAF apprentices and industry trainees and TTAF provider-based learners from July 2020 - December 2022 and Fees Free learners from January 2022 - December 2022
4,15,16,17



36. Most TTAF apprentices and industry trainees identified as European (55%), followed by Māori (20%), Asian (13%), and Pacific peoples (9%). In comparison, most TTAF provider-based learners identified as European (55%), followed by Māori (20%), Asian (21%), and Pacific peoples (10%). Fees Free learners followed a similar pattern, but significantly more (70%) identified as European. This was followed by Māori (17%), Asian (16%), and Pacific peoples (11%).

37. Figure 3 shows gender breakdowns for TTAF apprentices and industry trainees, TTAF provider-based learners, and Fees Free learners from January to December 2022.

Figure 3: Gender breakdown for TTAF apprentices and industry trainees and TTAF provider-based learners from July 2020 – December 2022 and Fees Free learners from January 2022 - December 2022
5,15,16,17,19



38. As of December 2022, most TTAF apprentices and industry trainees identified as male, representing 74% of all TTAF learners, while 26% of these learners identified as female. This gender disparity was much more pronounced than for provider-based TTAF learners where 52% of learners identified as male and 48% identified as female. Fees Free learners contrasted greatly where 60% identified as female and 39% identified as male.

39. The gender demographics in Fees Free and TTAF broadly reflect the underlying student population gender demographic profile, with most apprentices identifying as male, and most provider-based learners identifying as female.

Data caveats

40. The analysis above reflects TEO Fees Free and TTAF reporting received as at December 2022 and eligibility as at 29 March 2023 for Fees Free and 30 March 2023 for TTAF.

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

41. 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. As such, figures used in this briefing may differ from other reporting.

We will update you following the April 2023 SDR and ITR

42. We will provide you with a Fees Free enrolment update following completion of the April 2023 SDR, and reconciliation of the Fees Free data submitted by providers, in addition to the ITR update²⁰. There will be no further updates on TTAF in this report as the fund ended 31 December 2022.

¹⁹ Another gender and unknown genders have been omitted from the graph as they make up 1% or less of the total population in TTAF and Fees Free.

²⁰ Providers (Universities, Te Pūkenga subsidiaries, Wānanga and Private Training Establishments) submit their SDR data three times a year (April, August, and December), and each submission reflects all known enrolments and delivery at the time, while industry training data submissions (by Tertiary Education Organisations) occur continually throughout the year. Enrolments may take several months to be processed.