



Briefing Note: Fees Free monitoring update 2019

To:	Hon Chris Hipkins, Minister of Education		
Date:	23 November 2020	Priority:	Medium
Security Level:	In Confidence	METIS No:	1244080
Drafter:	Kirsty Craig	DDI:	
Key Contact:	Shona Ramsay	DDI:	9(2)(a)
Messaging seen by Communications team:	Yes	Round Robin:	N/A

Purpose of Report

The purpose of this paper is for you to:

Note that the Ministry of Education intends to update statistics on fees-free tertiary education on Education Counts early in December.

Agree that this Briefing Note will be proactively released.

☒ **Agree** ☐ **Disagree**

Summary

1. Since 1 January 2018, fees-free tertiary education and training has been available to students with little or no prior tertiary study. Alongside this, increases to student support (both student allowances and loan entitlements) were implemented.
2. The Ministry has previously published statistics as part of our Fees Free Policy monitoring role for both provider-based and industry training fees-free learners. We now have updated data for 2019 and intend to publish this on the Education Counts website in early December.


Katrina Sutich
Group Manager Tertiary Education
Te Ara Kaimanawa (GAVC)

23/11/2020



Hon Chris Hipkins
Minister of Education

10/02/21

Background

3. The Ministry monitors the implementation of the Fees Free Policy. As part of this monitoring we previously published statistics on the first year of fees-free tertiary education (2018) for both provider-based and industry training fees-free learners (METIS 1210848 refers).
4. In early December the Ministry intends updating the statistics on the Education Counts website with 2019 data.
5. The Tertiary Education Commission have already provided you a briefing on final 2019 Fees Free numbers.

Headline results

6. In 2019 there were approximately 58,280 unique fees-free students and trainees, including 10,730 carry-over learners from 2018.
7. Across 2018 and 2019, a total of 94,655 students and trainees accessed fees-free study, including 84,070 in provider-based study and 10,585 industry trainees.
8. Of the approximately 48,560 fees-free students in provider-based study in 2019, 53 percent were enrolled at universities, 68 percent were of European ethnicity, 62 percent were aged 18-19 years and 58 percent were women.
9. Of the approximately 9,720 fees-free industry training learners in 2019, 98 percent were in apprenticeships and only 2 percent were trainees, 75 percent were of European ethnicity, 38 percent were aged 18-19 years and 92 percent were men.
10. Students that access fees-free study tend to have higher study loads and course completion rates compared to non-fees free students. However, study loads and course completion rates at total student level have not changed since the introduction of fees-free. This indicates that the differences in demographic factors between the two groups, rather than fees-free status, drive the differences in study load and course completion rates.

New fees-free learners

11. The total number of new fees-free learners in 2019 was 47,550, compared with 47,105 in 2018. This was made up of 41,730 in provider-based study and 5,820 in industry training.
12. The number of new fees-free students in provider-based study fell 1 percent (610 students) in 2019. In contrast, new fees-free learners in industry training increased by 1,055 learners, or 22 percent, between 2018 and 2019.

Carry-over fees-free learners

13. Some fees-free learners from 2018 are still benefiting from fees free in 2019. Unused entitlement for these learners was carried over from 2018.
14. Those in industry training have a 24-month entitlement, and if they are continuing their training from 2018, they can continue to benefit from fees-free in 2019. An increase in total fees-free trainees for 2019 was expected in industry training due to learners continuing from 2018, as well as new learners starting in 2019. The number of industry training fees-free learners increased by over 100 percent between 2018 and 2019, due to many 2018 learners continuing and the increase in new fees-free learners.
15. Within provider-base study, many use their full fees-free entitlement, within the calendar year, especially those studying full-time the whole year. However, some students that started in 2018 continued to study in 2019 and did not use their full fees free entitlement in 2018.

16. In 2019, 6,830 of the 48,560 fees free learners in provider-based study continued to study and benefit from Fees Free policy in 2019. This is 14 percent of provider-based fees-free learners in 2019.

Provider-based fees-free students in 2019

17. Approximately 42,225 equivalent full-time students (EFTS) were funded through the Fees Free policy in 2019, accounting for around 19 percent of total EFTS at SAC (Student Achievement Component) Level 3 and above.
18. Of the 48,560 fees-free students enrolled in provider-based formal study, 25,800 (53 percent) were enrolled at universities, 14,965 (31 percent) at institutes of technology and polytechnics (ITPs), and 8,065 at private training establishments (PTEs, 17 percent). Less than one percent of fees-free students were enrolled at wānanga.
19. By comparison, the distribution of non-fees-free students by sub-sector was; universities 47 percent, ITPs 32 percent, PTEs 13 percent and wānanga 11 percent. Lower fees-free enrolments at wānanga may be due to learners being older on average and more likely to have completed prior tertiary study that makes them ineligible for fees-free study. Also, many sub-degree programmes at wānanga did not attract fees prior to the introduction of the fees-free policy.
20. Table 1 shows the breakdown of provider-based fees-free and non-fees-free students by selected demographic characteristics. It is important to note that differences in fees-free and non-fees-free proportions by ethnicity are largely driven by differences in age profiles (for example, a higher proportion of Māori learners in tertiary education are older and less likely to be eligible for fees-free due to prior study).

Table 1. Provider-based fees-free and non-fees-free students, 2019

Characteristic	Fees-free				Non-Fees-free (equivalent programmes)	
	New	Continuing	Total	%	Total	%
Gender						
Female	23,720	4,295	28,010	58	157,095	62
Male	17,900	2,505	20,405	42	95,030	38
Age						
Under 18 years	1,965	60	2,020	4	3,405	1
18-19 years	28,635	1,620	30,255	62	13,265	5
20-24 years	6,700	3,595	10,290	21	89,790	36
25-39 years	2,510	945	3,455	7	85,730	34
40 years & over	1,870	595	2,465	5	60,145	24
Ethnic Group						
European	28,385	4,760	33,145	68	155,990	62
Māori	7,495	1,180	8,675	18	54,180	21
Pacific Peoples	4,980	845	5,825	12	23,920	9
Asian	6,180	770	6,950	14	41,340	16
Other	1,760	355	2,110	4	13,200	5
Total	41,730	6,830	48,560	100	252,335	100

21. Around half of provider-based fees-free students were enrolled in degree-level study (51 percent) and 46 percent were enrolled in non-degree-level (Levels 3-7). This compares with 43 percent of non-fees free students who were enrolled in degree-level study and 44 percent in non-degree-level study.
22. Students that access fees-free provider-based study tend to have higher study loads and higher course completion rates compared to non-fees free students. However, study loads and course completion rates at the total student level have not changed since the introduction of fees-free. This indicates that other factors related to fees-free eligibility, rather than being fees-free itself, likely lead to differences in study load.

Industry training fees-free learners in 2019

23. In 2019, 9,720 industry training learners had their programme and assessment fees paid through the Fees Free Policy. Almost all (98 percent) were in apprenticeship training programmes.
24. Table 2 shows the breakdown of industry training fees-free and non-fees-free learners by selected demographic characteristics. A high proportion of fees-free learners were European (75 percent), higher than the proportion of non-fees-free learners (68 percent).

Table 2. Industry training fees-free and non-fees-free learners, 2019

Characteristic	Fees-free				Non-Fees-free (equivalent programmes)	
	New	Continuing	Total	%	Total	%
Gender						
Female	460	220	680	7	6,670	15
Male	5,300	3,665	8,965	92	37,625	85
Age						
Under 18 years	660	40	705	7	110	0
18-19 years	2,545	1,165	3,710	38	1,545	3
20-24 years	1,290	1,690	2,980	31	14,885	34
25-39 years	890	795	1,685	17	20,955	47
40 years & over	375	205	580	6	6,890	16
Ethnic Group						
European	4,285	2,980	7,260	75	29,420	66
Māori	925	645	1,570	16	7,330	17
Pacific Peoples	345	220	565	6	3,035	7
Asian	225	110	335	3	4,050	9
Other	160	105	260	3	1,935	4
Total	5,820	3,900	9,720	100	44,380	100

25. Just over half (54 percent) of fees-free learners were in building related programmes, compared to 36 percent of non-fees-free learners in equivalent programmes. A further 37 percent of fees-free learners were in engineering related programmes, similar to the 36 percent of non-fees-free learners in equivalent programmes.

Fees-free carry-over

26. The Ministry and TEC are undertaking further analysis on students with fees-free carry-over entitlement from 2018 to 2019, and which tertiary providers they were enrolled with, to ensure that carry-over is being effectively managed.
27. Data for the 2020 year is yet to be received and analysed by the Ministry.

Next Steps

28. As part of the ongoing monitoring of the Fees Free Policy, we will continue to update statistics on fees-free learners.

Proactive Release

29. We recommend that this Briefing is proactively released as per your expectation that information be released as soon as possible. Any information which may need to be withheld will be done so in line with the provisions of the Official Information Act 1982.