

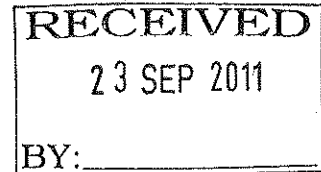


Office of Hon Steven Joyce

Minister of Transport
Minister for Communications
and Information Technology
Minister for Tertiary Education

Associate Minister of Finance
Associate Minister for Infrastructure

C-11-09-1091



22 SEP 2011

Sir Wira Gardiner
Chair
Tertiary Education Commission
PO Box 27-048
Wellington 6141

Dear Wira

Determination of Design of Funding Mechanism

I am writing to advise you formally of my determination, under section 159L of the Education Act 1989, of the revised design of the funding mechanism for the Specialised Funds for Literacy, Language and Numeracy.

I set out my determination of the design of the funding mechanism in the appendix to this letter. This determination replaces the previous determination issued for the Specialised Funds for Literacy, Language and Numeracy and covers the period 1 January to 31 December 2012.

In accordance with section 159O of the Act, it is the responsibility of the Commission to develop the operational policy and practices needed to implement my determination of this funding mechanism.

I expect that the Commission will set appropriate measures as part of its Statement of Service Performance in order to report to me on its performance in giving effect to these determinations.

Yours sincerely



Steven Joyce
Minister for Tertiary Education

Appendix 1 – Funding Mechanism: Specialised Funds for Literacy, Language and Numeracy

Funding Mechanism: Specialised Funds for Literacy, Language and Numeracy

Literacy, language and numeracy are defined for the purposes of government funding as the competencies that are essential for effective participation in work and life. These include reading, writing, speaking, listening and numeracy. English for Speakers of Other Languages (ESOL) is included within this definition.

Investment in literacy, language and numeracy supports government priorities set out in the Tertiary Education Strategy (TES). Funding to support literacy, language and numeracy in line with the TES is also provided through a number of other funding mechanisms.

General parameters

Effective period

1. This determination is to fund provision delivered between 1 January 2012 and 31 December 2012 only. The TEC may exercise any of its administrative functions that are necessary to give effect to this determination outside those dates.

Legal authority

2. This funding determination is made under section 159L of the Education Act 1989 ("the Act").
3. For TEOs funded via an investment plan, specialised funds for literacy, language and numeracy are to be paid under section 159YA of the Act.
4. For tertiary education organisations (TEOs) exempted under section 159U of the Act from submitting a proposed investment plan, specialised funds for literacy, language and numeracy are to be paid under section 159ZC of the Act.

Policy parameters

5. The funding available for allocation under this funding determination is that set through the Government's annual budget processes.

Conditions that the TEC must attach to all funding provided under this mechanism

No other funding

6. The TEC must require that a TEO:
 - a. does not (without the TEC's prior written consent) seek or obtain any funding from any Crown source other than the TEC to fund the same part of its activities funded under this funding determination; and
 - b. notifies the TEC immediately if it becomes aware of any circumstances that might result in a breach of this condition.

Recovery of funding

7. The TEC must require that, if the results of an audit, reporting or statistical returns indicate that the amount of a payment of funding provided under this funding determination was greater than it should have been, the amount of the over-funding is, following consultation with the TEO:
 - a. repayable to the TEC on demand; and

- b. treated as a debt that is subject to the TEC's set off rights under any condition attached to funding.
8. If the results of an audit, reporting or statistical returns indicate that the amount of a payment of funding provided under this funding determination was less than it should have been, the TEC must credit the amount of the under-funding to an account nominated by the TEO as soon as reasonably practicable.

Repayment of funding

9. The TEC must require that, if the TEC:
- a. revokes a TEO's funding for an investment plan or part of an investment plan before some or all of the funding provided to the organisation has been used for, or contractually committed to, the purposes of the plan for which that funding was provided; or
 - b. considers on reasonable grounds that a TEO has received funding that it was not entitled to receive;
- then the amount of that funding not used for, or contractually committed to, the purposes for which it was provided and/or overpaid is:
- c. repayable to the TEC on demand; and
 - d. treated as a debt that is subject to the TEC's set off rights under any funding condition.

Set off

10. The TEC may set off, against all or any funding or other sum of money payable by the TEC to a TEO, any debt or other sum of money payable to the TEC by that TEO (including pursuant to any funding condition) where such debt or liability of the TEO has been outstanding to the TEC for ninety days or more.

Conditions that the TEC may attach to any funding paid under section 159ZC

11. The TEC, in funding a TEO using this funding mechanism under section 159ZC of the Act, may impose any conditions on funding that it considers necessary, including, without limitation, conditions for ensuring that funding will achieve the purpose for which it has been allocated.

Essential components

12. The Specialised Funds for Literacy, Language and Numeracy aim to:
- a. provide a way for the Government to increase opportunities for adults to engage in literacy, language and numeracy learning, particularly for those in low-skilled employment;
 - b. raise adults' literacy, language and numeracy skills;
 - c. improve the quality and relevance of provision, including the ability to identify learner need and learning gain;
 - d. build an effective literacy, language and numeracy teaching workforce; and
 - e. contribute to workplace productivity through the provision and evaluation of literacy, language and numeracy learning programmes in a workplace context.
13. The Specialised Funds for Literacy, Language and Numeracy comprise the following funds:

- a. Intensive Literacy and Numeracy (ILN) Fund
 - i. ILN ESOL Sub-Fund
 - ii. Refugee English Fund
 - b. Embedded Literacy and Numeracy Student Achievement Component Top-Up Fund
 - c. Workplace Literacy Fund
 - i. Workplace Literacy Employee-Targeted Sub-Fund
 - d. Adult Literacy Educator Grants
14. Eligible provider types are specified under each sub-fund.

Eligibility of TEOs

15. The TEC must ensure that TEOs wishing to receive literacy, language and numeracy funding must be quality assured by the New Zealand Qualifications Authority or its delegated quality assurance bodies, the New Zealand Vice-Chancellors' Committee, or the Education Review Office (as applicable), including any phase-in arrangements defined by the TEC.

Eligibility of Activities

16. Activities funded through the Specialised Funds for Literacy, Language and Numeracy must :
- a. contribute to priorities set out in the TES;
 - b. cater only to New Zealand citizens and permanent residents;
 - c. seek to link literacy, language and numeracy provision to the authentic demands that adult learners face in their lives; and
 - d. represent high quality, value for money provision, and be effective in assisting learners to improve their literacy, language and numeracy skills.

Intensive Literacy and Numeracy (ILN) Fund

17. The purpose of the Intensive Literacy and Numeracy Fund is to provide for intensive provision of high quality literacy, language and numeracy learning opportunities delivered in an appropriately structured context, with strong community links.
18. This fund is available to Institutes of Technology and Polytechnics (ITPs), wānanga, universities, Private Training Establishments (PTEs), and schools.
19. Funding is allocated under this mechanism to programmes that are flexible and tailored to respond to the particular needs of adults (e.g. off-peak times for seasonal workers, parents, etc.)
20. Funding is allocated at a fixed rate for a specified number of hours of literacy, language and/or numeracy tuition per learner to be completed in a specified time period.

Eligible learners

21. Learners must be NZ citizens or permanent residents with low skill levels of literacy, language and/or numeracy.

Programme delivery

22. Programmes must:
 - a. have explicit literacy, language and/or numeracy outcomes;
 - b. be taught by appropriately qualified and experienced educators;
 - c. deliver a minimum of 100 hours of literacy, language and/or numeracy learning per learner within a 5-20 week period.
23. Providers must use a formal assessment process to identify learners' literacy, language and/or numeracy gains against the Adult Literacy and Numeracy Learning Progressions.
24. Providers must deliver programmes at no cost to eligible learners.

ILN English for Speakers of Other Languages (ESOL) Sub-Fund

25. The purpose of the English for Speakers of Other Languages Sub-Fund is to provide for intensive provision of ESOL learning opportunities delivered in an appropriately structured context, with strong community links. A minimum of 680 places is set aside under this sub-fund.
26. This fund is available to providers with demonstrated expertise in delivering ESOL to the target group of adult refugees and migrants.
27. Funding is allocated under this mechanism to programmes that are flexible and tailored to respond to the particular needs of learners (e.g. off-peak times for seasonal workers, parents, etc.)
28. Funding is allocated at a fixed rate for a specified number of hours of ESOL tuition per learner to be completed in a specified time period.

Eligible learners

29. Learners must be NZ citizens or permanent residents with low English language skill levels, and be aged 16 or over.

Programme delivery

30. Programmes must:
 - a. have explicit English language and literacy outcomes;
 - b. be taught by appropriately qualified and experienced educators;
 - c. deliver a minimum of 200 hours of ESOL tuition per learner within a 20-26 week period.
31. Providers must use an assessment process agreed by the TEC to identify English language gains at least once during the 20-26 week period.
32. Individuals are eligible to re-enrol in programmes funded through this sub-fund for up to three years.
33. Providers must deliver programmes at no cost to eligible learners.

Refugee English Fund

34. The Refugee English Fund provides funding to cover the fees of refugees, protected persons and people sponsored by a refugee or protected person (henceforth referred to as 'refugees') studying for an ESOL qualification.
35. The purpose of the Refugee English Fund is to support refugees to reach a level of English that will allow them to move into employment, or their choice of vocational or degree-level education through providing fees-free access to ESOL qualifications.
36. This fund is available to Institutes of Technology and Polytechnics (ITPs), wānanga, universities and Private Training Establishments (PTEs) with experience delivering to the target group. Programmes funded to provide fees-free places under this determination must also comply with the requirements under the funding mechanism for the Student Achievement Component.
37. Funding is allocated under this mechanism to providers to offer a specified number of fees-free places on ESOL qualifications to eligible learners.
38. Funding is allocated based on the usual fees charged by the provider for a place on the ESOL qualification.

Eligible learners

39. Learners must be refugees, protected persons or people who have been sponsored by a refugee or protected person, and be New Zealand citizens or permanent residents.
40. An individual is eligible to access this funding for up to three years.

Programme delivery

41. Programmes must:
 - a. Lead to the award of a recognised ESOL certificate or diploma at level 3 or above on the NZQF
 - b. be funded through the Student Achievement Component.

Embedded Literacy and Numeracy Student Achievement Component Top-Up Fund

42. The purpose of this funding is to provide an incentive to ITPs and wānanga to support high quality embedded literacy and numeracy provision at National Qualification Levels 1 - 3 within their Student Achievement Component funded provision.
43. Funding is allocated under this mechanism to ITPs and wānanga that exceed a minimum proportion of Student Achievement Component funded courses with embedded literacy and numeracy.

Workplace Literacy Fund

44. The purpose of the Workplace Literacy Fund is to increase the literacy, language and numeracy skills of employees, linked to workplace requirements.
45. This fund is available to ITPs, wānanga, PTEs and employers.

46. Employers must be legal entities and provide literacy, language and/or numeracy training to a minimum of 50 employees to be eligible for this funding. Employers do not have to meet quality assurance eligibility criteria set out in paragraph 15.
47. Funding is allocated under this mechanism to programmes that respond to the literacy, language and/or numeracy needs of employees and the workplace requirements.
48. Funding is allocated at a fixed rate for a specified number of hours of literacy, language and/or numeracy tuition per learner to be completed in a specified time period.
49. Initiatives funded through this fund should:
 - a. support high quality literacy, language and numeracy learning that is tailored to the needs of the workplace and other industry training;
 - b. have mechanisms to report on learners' progress in improving literacy, language and numeracy skills;
 - c. demonstrate a partnership approach with employers, providers and industry training organisations;
 - d. be innovative in addressing literacy, language and numeracy issues faced by businesses.

Eligible learners

50. Learners must be NZ citizens or permanent residents, and have low skill levels of literacy, language and/or numeracy.
51. Learners cannot be full-time students or accessing literacy, language and/or numeracy training through other TEC funded literacy, language and/or number programmes.
52. Learners must be in the paid workforce.

Programme delivery

53. Programmes must:
 - a. have explicit literacy, language and/or numeracy outcomes linked to the individual workplace context;
 - b. be taught by appropriately qualified and experienced educators;
 - c. deliver a minimum of 40 hours of literacy, language and/or numeracy learning per learner within a 10 - 40 week period;
 - d. ensure there is senior management leadership and commitment to the programme;
 - e. consider business practices to improve employees' workplace literacy, language and/or numeracy; and
 - f. contribute to the development of sustainable employee literacy, language and/or numeracy practices within the business.
54. Providers must use a formal assessment process to identify learners' literacy, language and/or numeracy gains against the Adult Literacy and Numeracy Learning Progressions.

55. Providers must deliver programmes at no cost to eligible learners.

Workplace Literacy Employee-Targeted Sub-Fund

56. The purpose of the Workplace Literacy Employee-Targeted Sub-Fund is to increase the literacy, language and numeracy skills of employees not connected to a specific workplace.
57. Funding is allocated under this mechanism to programmes that respond to the literacy, language and/or numeracy needs of employees linked to workplace requirements.
58. Funding is allocated at a fixed rate for a specified number of hours of literacy, language and/or numeracy tuition per learner to be completed in a specified time period.
59. Initiatives funded through this fund should:
- a. support high quality literacy, language and numeracy learning that is tailored to the needs of the workplace and other industry training;
 - b. have mechanisms to report on learners' progress in improving literacy, language and numeracy skills;
 - c. provide tuition that is flexible and tailored to the individual employee's requirements, and which may take place at the workplace or in a community setting.

Eligible learners

60. Learners must be NZ citizens or permanent residents, and have low skill levels of literacy, language and/or numeracy.
61. Learners cannot be full-time students or accessing literacy, language and/or numeracy training through other TEC funded literacy, language and/or numeracy programmes.
62. Learners must be in the paid workforce.

Programme delivery

63. Programmes must:
- a. be taught by appropriately qualified and experienced educators;
 - b. deliver a minimum of 25 hours of literacy, language and/or numeracy learning per learner within the agreed period.
64. Providers must use a formal assessment process to identify learners' literacy, language and/or numeracy gains against the Adult Literacy and Numeracy Learning Progressions.
65. Providers must deliver programmes at no cost to eligible learners.

Adult Literacy Educator Grants

66. The purpose of the Adult Literacy Educator Fund is to build the capability of educators/trainers to effectively teach adults literacy and numeracy by assisting them to access and complete qualifications.

67. This fund is available to ITPs, wānanga and universities. PTEs that do not receive Student Achievement Component funding for relevant literacy and numeracy teaching qualifications are also eligible.
68. Funding is allocated under this mechanism to relevant literacy and numeracy teaching qualifications at National Qualifications Level 5 and above with the funding allocations to be determined by the TEC.

Eligible learners

69. Learners must be NZ citizens or permanent residents and be 18 years or older.
70. Learners must also have the academic ability to complete the programme of study that leads to the approved qualification.