ITO sector update

Issue 2016-4

19 July 2016

2016 Plan Amendments

We received six applications totalling $6.5 million. Unfortunately the available funding was less than half of that (at $3.2 million).

The majority of the funding requests were for more apprenticeships, which is a great outcome. Your investment manager will be able to advise you of the outcome of your application shortly. We will send out formal letters by the end of July.

Consultation on new cohort-based educational performance indicators

We are currently consulting on new cohort-based programme completion and apprentice retention rates. We have uploaded your organisation's educational performance indicators to Workspace 2 as part of the consultation process.

The consultation paper and feedback form are available on our website. Feedback closes at 5pm, Friday 5 August 2016. Please send any questions or queries to tecinvestmentapproach@tec.govt.nz.

Refining our investment approach on overlapping provision

We have been actively examining our investment from 2017 onwards in Student Achievement Component-funded provision that is more suited to industry training. Provision that is delivered to employees, which involves significant on-job training and is directly related to their employment, is being capped or reduced across a range of providers and industries.

This focus on value-for-money training will be further enhanced by the introduction of a flag in the Single Data Return for managed apprenticeships from 2016 onwards. The Single Data Return is the information we collect from providers about their enrolments. This flag will mean we can easily track enrolments in managed apprenticeships.

Literacy and numeracy support for industry trainees

As you will be aware, foundation-level trainees can now access support funded through the Workplace Literacy and Numeracy fund. Industry trainees in training programmes at levels 1 and 2 can continue training while also participating in a workplace literacy and numeracy programme.

Support funded through the Intensive Literacy and Numeracy fund is available to both industry trainees and apprentices who are assessed at step 2 or below for reading and/or numeracy. Our FAQs have been updated to reflect these changes.

Survey on apprenticeship activities

We have sent around a brief survey on apprenticeship activities. The deadline for this information has been extended to 29 July 2016. While a range of apprenticeship activities were referenced in investment plans, there are some information gaps. We don't want this to be a time-consuming task but we hope the result will give us all a fuller picture of the activity ITOs undertake in fulfilling their obligations to apprenticeship training.

Calculating flexible funding for apprentices

Flexible funding is an additional amount of funding, paid to organisations that deliver more training to apprentices than for which they were funded. If an eligible organisation over-delivers in apprenticeships, the TEC calculates flexible funding on the allocated amount of funding and makes this available to the organisation. The amount is capped at 102% of the allocated funding or 10 STMs (whichever is greater), to the extent of the over-delivery.

The flexible funding is calculated before any offsets are applied, including offsetting against any under-delivery in industry training.

It is only calculated at final wash-up in April, for the previous calendar year. The regular reports uploaded to Workspace 2 each month do not include flexible funding.

Change in timing of reports from the Industry Training Register

We have changed the date that reports are extracted from the Industry Training Register to the 1st and 15th of each month. The reports will then be uploaded into Workspace 2 on the next available business day. For example, in October 2016, data will be extracted on Saturday 1 October and the reports will be uploaded on Monday 3 October.

ITO sector updates are now available on our website

We have now published our ITO sector updates on our website to make it easier for you to find the information. We will also continue to email any new updates.

Where relevant, we will also update our FAQs when we publish the ITO sector updates. This ensures important information from these updates is captured in our FAQs.