

**Tertiary Education
Commission**

Te Amorangi Mātauranga Matua



2022 Global Wash-up Methodology

Publishable version

Published by the Tertiary Education Commission
Te Amorangi Mātauranga Matua
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PO Box 27048
Wellington, New Zealand

January 2023

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Every effort is made to provide accurate and factual content. The TEC, however, cannot accept responsibility for any inadvertent errors or omissions that may occur.



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Our approach to calculating the 2022 wash-up

This document provides the 2022 methodology and technical specifications for the calculation of funding wash-ups for the funds listed below:

Adult and Community Education, including:

- › ACE in Communities
- › ACE in Schools (including ACE in Schools Coordination funding)
- › ACE in TEIs
- › ACE Emergency Management Pool
- › ACE – Search and Rescue

Literacy and Numeracy (LN) and English for Speakers of Other Languages (ESOL), including:

- › Intensive Literacy and Numeracy – ESOL
- › Intensive Literacy and Numeracy – Refugee English
- › Intensive Literacy and Numeracy
- › TEO-Led Workplace Literacy and Numeracy Fund
- › Adult Literacy Educators Fund

Youth Funds, including:

- › Gateway
- › Youth Guarantee and Youth Guarantee Premium Payment

Māori and Pasifika Trades Training (MPTT), including:

- › MPTT Fees Top-Up
- › MPTT Brokerage Monthly
- › MPTT Consortium Activities
- › MPTT Consortium Learner Support

Student Achievement Component (SAC), including:

- › Student Achievement Component Levels 1 and 2
- › Student Achievement Component Level 3 and above
- › SAC3+ Secondary Initial Teacher Education

Industry Training Funding, including:

- › Industry Training Fund
- › Industry Training Fund (Direct Funding Scheme)

Learner Fees Funds, including:

- › Fees Free Payments
- › Targeted Training and Apprenticeships Fund (SAC3+ funded)
- › Targeted Training and Apprenticeships Fund (ITF funded)

Other funds, including:

- › Secondary Tertiary Interface – Trades Academy
- › Medical Trainee Intern Grants

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How we calculate your wash-up

- 1 Calculate the **2022 Final Amended Allocation** (inclusive of in-year amendments, additional allocations and on hold payments) to 31 December 2022.

- 2 Calculate **Total Delivery Dollars** by taking your Actual Delivery less any condition offsets or adjustments. This includes any specific condition offsets, exemptions, or adjustments.

- 3 Calculate **(Under-)/Over-delivery** by taking your **Total Delivery Dollars** less **Final Amended Allocation**.

- 4 Calculate **Funding Recovery** and/or **Wash-up payments** (including Flexible Funding).
 - **Where under-delivery has occurred**, we will recover the difference between the Final Amended Allocation and the Total Delivery Dollars based on your most recent 2022 delivery data.
 - Recovery is calculated against 99% of the Final Amended Allocation (except for TEOs with zero delivery, where recovery is calculated against 100% of the Final Amended Allocation) for:
 - Student Achievement Component Levels 1 and 2,
 - Student Achievement Component Level 3 and above (SAC3+),
 - SAC3+ Secondary Initial Teacher Education.
 - Recovery is calculated against 100% of the Final Amended Allocation (see under-delivery threshold in Appendix One) for all other funds.
 - **Where over-delivery has occurred**, where applicable, payments will be made up to the flexible funding threshold.

Timeline for finalising wash-ups

1. Most funding wash-ups will be calculated in March 2023, with recovery or payments occurring **3 April 2023**.
2. Where delivery is reported in the Industry Training Register (ITR), wash-ups will be calculated in April 2023, with recovery or payments occurring **1 May 2023**.
3. Te Pūkenga (6683), Skills4Work Limited (9130), St John New Zealand (7321), The Electrical Training Company Limited (5997), Ignite Colleges Limited (7502), and Vertical Horizons New Zealand Limited (8199) receive both SAC3+ and ITF funding. They will receive payment/set-off for Single Data Return enrolments on **3 April 2023** and again for ITF enrolments on **1 May 2023**.
4. Some tertiary education organisations (TEOs) also report on the Targeted Training and Apprenticeships Fund (TTAF) through the ITR. They will receive payment/set-off on **1 May 2023** for TTAF.
5. All Fees-Free delivery is reported through Workspace 2, and the wash-ups will be calculated in March 2023, with recovery or payments occurring **3 April 2023**.
6. For Transitional ITOs, Fees Free delivery is reported monthly through Workspace 2, and is paid retrospectively on actual delivery, so the wash-ups are unlikely to lead to any recoveries.
7. Wash-up/offset letters will be sent no later than **16 March 2023** (10 working days before 1 April 2023).

Key changes for 2023

- Funding Guarantee:** The Funding Guarantee that applied for 2020 funding, which waived the recovery of unused funding for many funds administered by the Tertiary Education Commission (TEC), was not applied in 2021 and will not be applied in 2022.
- Te Pūkenga – New Zealand Institute of Skills and Technology:**
 - Consolidation:** We will wash-up Te Pūkenga as a consolidated entity. Allocations and delivery from the following 16 subsidiaries will be consolidated: Ara Institute of Canterbury; Eastern Institute of Technology; Manukau Institute of Technology; Nelson Marlborough Institute of Technology; NorthTec; Otago Polytechnic; Southern Institute of Technology; Tai Poutini Polytechnic; The Open Polytechnic of New Zealand; Toi Ohomai Institute of Technology; Unitec Institute of Technology; Universal College of Learning; Waikato Institute of Technology; Wellington Institute of Technology; Western Institute of Technology at Taranaki; Whitireia New Zealand. For Flexible Funding calculations, the External Evaluation and Review (EER) does not apply to Te Pūkenga.
 - Te Pūkenga Work-based learning:** Separately from Te Pūkenga, we will wash-up the Te Pūkenga subsidiary “Work Based Learning Ltd” (WBL) as a consolidated entity. Allocations and delivery from the following transitioned Industry Training Organisations will be consolidated as part of WBL: BCITO (8101), EarnLearn (8103), Competenz (8104), Primary ITO (8105), HITO (8134), Connexis (8136), Careerforce (8144), MITO (9013), and ServiceIQ (9068). These will be consolidated into one wash-up output for Te Pūkenga.
 - Trades Academy:** For Trades Academies that are administered by the subsidiaries of Te Pūkenga, Trades Academy will be washed up **collectively** under Te Pūkenga.
- TEO not to over-deliver Level 3 EFTS:** If you have been allocated Youth Guarantee (YG) Fund Funding to deliver qualifications at Level 3 on the NZQF, you must not exceed that allocation for the Level 3 delivery. If you deliver more provision at Level 3 on the NZQF than that which you have been allocated, we will recover YG Fund Funding for the amount of provision that you have over-delivered.
- ACE in Schools Coordination:** Unused ACE in Schools Coordination funding is recoverable in 2022.



Adult and Community Education (ACE)

Adult and Community Education (Communities)

Purpose of the fund:

The purpose of Adult and Community Education (ACE) in Communities funding is to purchase provision that provides adults with community-based education, foundation skills, and pathways into other learning opportunities that meet community needs.

The three priorities of ACE funding are to:

- target learners whose initial learning was not successful,
- raise foundation skills, and
- strengthen social cohesion, enhancing a learner’s ability to participate in society and economic life.

How we calculate your wash-up:

We will recover funding if you deliver less than 100% of your allocated ACE in Communities funding. We will recover the difference between the total delivery (dollars) and 100% of allocated ACE in Communities funding.

Recoveries are based on:	
Data:	Your most recent actual delivery data as submitted through Workspace 2
Unit of Delivery:	Expected total learner hours
Rates:	There is no fixed rate for ACE in Communities funding as the funding allocation, course funding rate, mix of provision (MoP) and contracted volume of delivery is agreed with each TEO through the Plan process

Delivery thresholds:	
Over:	N/A
Under:	100%

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
2022 Funding Mechanism for ACE (TEC website) Paras 37, 38	› Repayment of funding P. 19, sect. 11	

Repayment of ACE (Communities) Funding <i>(per the 2022 Funding Conditions Catalogue/Mechanism)</i>
<p>(a) If you receive ACE (Communities) Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that:</p> <ol style="list-style-type: none"> i. is repayable on demand; and ii. may be set-off against all or any funding, or any sum of money payable by us to you. <p>(b) Te Pūkenga, a wānanga, a PTE, a REAP provider or a community organisation will have received funding that was greater than it should have been if it delivered less ACE provision than it was funded for. In that situation, we will recover the difference between the amount of provision delivered and the ACE (Communities) Fund Funding provided.</p>

Adult and Community Education (Schools) (excluding ACE in Schools Coordination funding)

Purpose of the fund:

The purpose of Adult and Community Education (ACE) in Schools funding is to provide community-based education, foundation skills, and pathways into other learning opportunities that meet community learning needs.

The three priorities of ACE funding are to:

- target learners whose initial learning was not successful
- raise foundation skills, and
- strengthen social cohesion, enhancing a learner’s ability to participate in society and economic life.

How we calculate your wash-up:

We will recover funding if you deliver less than 100% of your allocated ACE in Schools funding. We will recover the difference between the total delivery (dollars) and 100% of allocated ACE in Schools funding.

Recoveries are based on:	
Data:	Your most recent actual delivery data as submitted through Workspace 2
Unit of Delivery:	Expected total learner hours
Rates:	We use the 2022 ACE in Schools funding rates to calculate your actual delivery at an hourly rate of \$10.00 (GST exclusive)

Delivery thresholds:	
Over:	N/A
Under:	100%

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
2022 Funding Mechanism for ACE (TEC website) Paras 37, 38	› Repayment of funding P. 27, sect. 11	ACE in Schools Coordination fee (own initiative) is recoverable

Repayment of ACE (in Schools) Funding (per the 2022 Funding Conditions Catalogue/Mechanism)
<p>(a) If you receive ACE (Schools) Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that:</p> <ol style="list-style-type: none"> i. is repayable on demand; and ii. may be set-off against all or any funding, or any sum of money payable by us to you. <p>(b) A state school or state-integrated school will have received funding that was greater than it should have been if it delivered less ACE provision (calculated in enrolled hours) than it was funded for. In that situation, we will recover the difference between the amount of provision delivered and the ACE (Schools)</p>

Fund Funding provided. We will determine the amount of funding delivered using the hourly rate of \$10.00 (excluding GST). For example: A school had planned delivery of 9,800 hours and is funded for 9,800 hours x \$10.00 (\$98,000). If the school's enrolments were for 9,600 hours, being 200 hours less than planned, then we will recover 200 x \$10.00 (\$2,000).

ACE in Schools Coordination funding

Purpose of the fund:

The purpose of ACE in Schools Coordination funding (Coordination funding) is to help grow ACE in Schools priority provision. It should be used to support initial setup costs related to providing ACE in Schools for the first time, growing existing provision in priority areas, or expanding into different priority areas of provision.

ACE in Schools Coordination funding is one-off funding and needs to be reapplied for each year. As ACE in Schools Coordination funding has a separate analysis code, we have made an adjustment that excludes Schools Coordination from the 2022 final allocation totals.

How we calculate your wash-up:

We will recover funding if you deliver less than 100% of your allocated ACE in Schools Coordination funding. We will recover the difference between the total delivery (dollars) and 100% of allocated ACE in Schools Coordination funding.

Recoveries are based on:	
Data:	Your most recent actual delivery data as submitted through Workspace 2 in your 2022 Actual Coordination Funding Expenditure Report
Unit of Delivery:	We use your ACE in Schools Coordination allocation provided against your actual delivery in ACE in Schools Coordination
Rates:	

Delivery thresholds:	
Over:	N/A
Under:	100%

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
2022 Funding Mechanism for ACE (TEC website) Paras 37, 38	> Repayment of funding P. 19, sect. 11	ACE in Schools Coordination fee (own initiative) is recoverable

Repayment of ACE in Schools Coordination Funding
We will recover all unspent ACE in Schools Coordination Funding.
Recoveries will be based upon:
<ul style="list-style-type: none"> 2022 ACE in Schools Coordination Funding Final Allocation, The latest 2022 Actual Coordination Funding Expenditure Report.

Calculation steps

1. Calculate the Final Allocation (funding analysis code 9999 - 10217)
2. Calculate the Actual Spending
3. Calculate the under/over-spending

Where under-spending has occurred, we will recover it. Where over-spending has occurred, no additional payment will be made. If no 2022 year-end Coordination Funding expenditure report is provided, all funding will be recovered.

ACE in TEIs (including ACE in TELAC)

Purpose of the fund:

The purpose of Adult and Community Education (ACE) Fund is to provide community-based education, foundation skills, and pathways into other learning opportunities that meet community learning needs.

The three priorities of ACE funding are to:

- target learners whose initial learning was not successful,
- raise foundation skills, and
- strengthen social cohesion, enhancing a learner’s ability to participate in society and economic life.

The ACE in TELAC funding delivers advice to adults with low skills and qualifications on how tertiary education increases their opportunities, provides advice about all the different options available, and encourages them to make the most of these opportunities.

How we calculate your wash-up:

We will recover funding if you deliver less than 100% of your allocated ACE in TEIs funding. We will recover the difference between the total delivery (dollars) and 100% of allocated ACE in TEIs funding.

Recoveries are based on:	
Data:	Your most recent actual delivery of equivalent full-time students as submitted through the December 2022 Single Data Return (SDR)
Unit of Delivery:	Equivalent Full-Time Student (EFTS)
Rates:	We use the 2022 ACE in TEIs funding rates to calculate your actual delivery at a rate of \$4,651.00 per EFTS

Delivery thresholds:	
Over:	N/A
Under:	100%

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
2022 Funding Mechanism for ACE (TEC website)	› Repayment of funding P. 19, sect. 11	ACE in TELAC is non-recoverable

Repayment of ACE (in TEIs) Funding *(per the 2022 Funding Conditions Catalogue/Mechanism)*

- (a) If you receive ACE (in TEIs) Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that:
- i. is repayable on demand; and
 - ii. may be set-off against all or any funding, or any sum of money payable by us to you.
- (b) Te Pūkenga, a wānanga, a PTE, a REAP provider or a community organisation will have received funding that was greater than it should have been if it delivered less ACE provision than it was funded for. In that situation, we will recover the difference between the amount of provision delivered and the ACE Fund Funding provided.

ACE Emergency Management Pool

Purpose of the fund:

The Adult and Community Education (ACE) Fund provides for community-based education that meets community learning needs. The Emergency Management (EM) (ACE) Fund supports volunteers in the fields of civil defence emergency management and firefighting to achieve an appropriate class and level of training and accreditation to perform emergency management operations.

The focus of the Emergency Management (ACE) Fund is the training of volunteers, so funding is prioritised for targeted, skills-based programmes that lead to credits and unit standards, short awards and training schemes.

How we calculate your wash-up:

We will recover funding if you deliver less than 100% of your allocated ACE Emergency Management funding. We will recover the difference between the total delivery (dollars) and 100% of allocated ACE Emergency Management funding.

Recoveries are based on:	
Data:	Your most recent actual delivery volume data (measured by actual hours), submitted through Workspace 2 (IPI)
Unit of Delivery:	Actual learner hours
Rates:	We use your ACE Emergency Management Pool allocation provided against your actual delivery (ie, 50% delivery of learner hours means 50% recovery)

Delivery thresholds:	
Over:	N/A
Under:	100%

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions

2022 Funding Mechanism for ACE (TEC website) Paras 37, 38	› Repayment of funding per 2022 MOU, P. 12-13, sections 23–30	Coordination fee is non-recoverable (paid from operations, not grants)
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Repayment of ACE (Emergency Management Pool) Funding *(per the 2022 MOU with NEMA)*

- (a) If NEMA receives Training Delivery Funding that is greater than it should have been, or that NEMA was not entitled to receive, NEMA must treat the amount of the over-funding as a debt due to the Crown that:
 - i. is repayable on demand; and
 - ii. may be set-off against all or any funding, or any sum of money payable by the TEC to NEMA.
- (b) The TEC will consider that NEMA has received Training Delivery Funding that was greater than it should have been if NEMA does not deliver all of the learning hours specified in the Mix of Provision. In that situation the TEC will recover the difference between NEMAs actual volume of delivery and the Training Delivery Funding it has received.
- (c) Volume of delivery will be calculated using, for each training course or activity, the number of learner enrolments specified in the agreed Mix of Provision.
- (d) If NEMA does not enrol the number of learners in a civil defence emergency management training course or activity as specified in the agreed Mix of Provision, the TEC will recover the unused Training Delivery Funding at the training course or activity rate agreed to in the Mix of Provision.
- (e) If more learners are enrolled in a training course or activity than the number specified in the Mix of Provision, the over-delivery will be offset against under-delivery in any other training course or activity agreed to in the Mix of Provision (up to the maximum Training Delivery Funding allocated).

ACE Search and Rescue

Purpose of the fund:

The Adult and Community Education (ACE) Fund provides for community-based education that meets community learning needs. The Search and Rescue (SAR) (ACE) Fund supports volunteers in the field of search and rescue to achieve the relevant class and level of training and accreditation they need to perform search and rescue operations.

The focus of the Search and Rescue (ACE) Fund is the training of volunteers, so funding is prioritised for targeted, skills-based short awards (under 40 credits each), including training schemes.

How we calculate your wash-up:

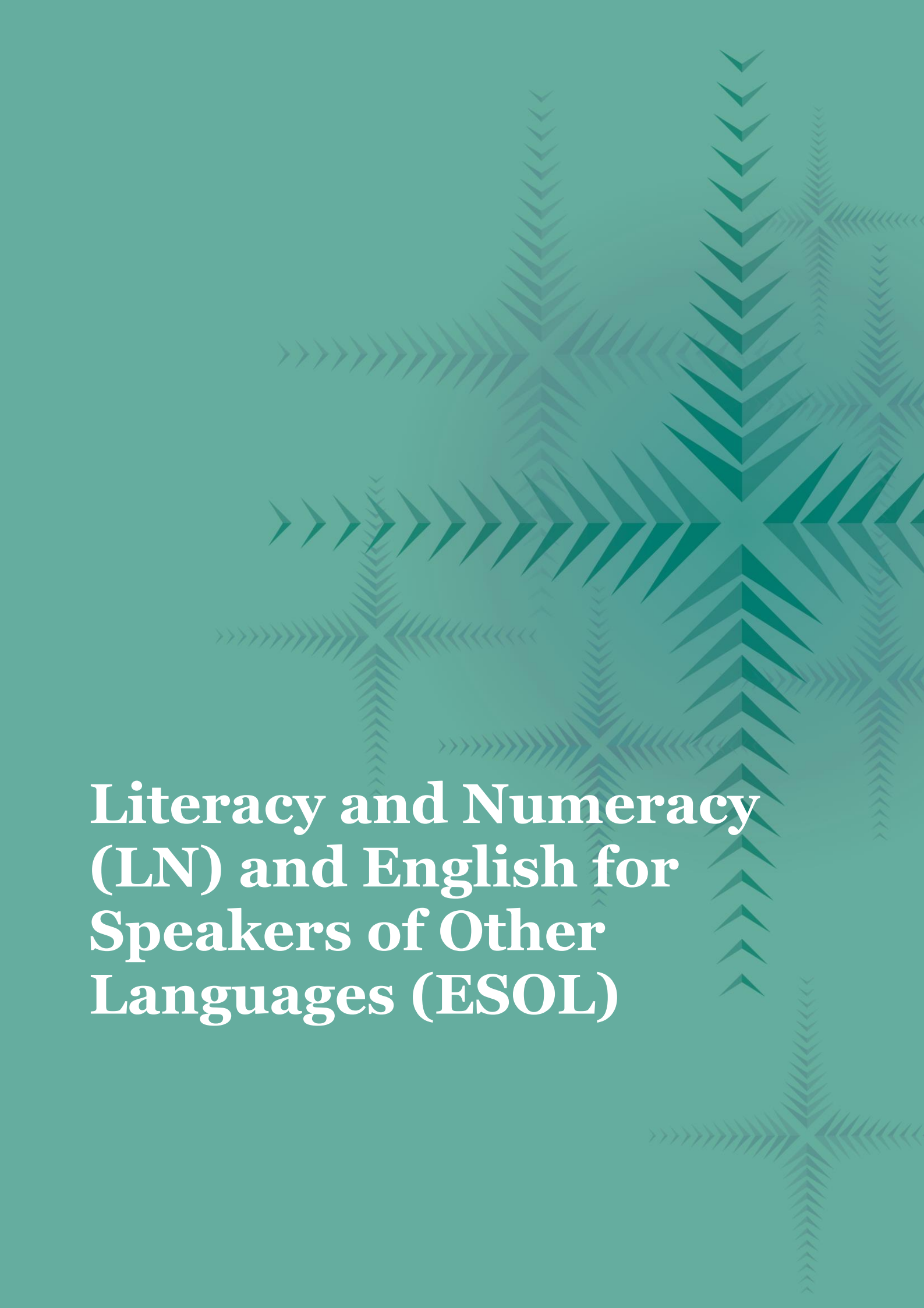
We will recover funding if you deliver less than 100% of your allocated ACE Search and Rescue funding. We will recover the difference between the total delivery (dollars) and 100% of allocated ACE Search and Rescue funding.

Recoveries are based on:	
Data:	Your most recent actual delivery volume data (measured by actual hours), submitted through Workspace 2 (IPI)
Unit of Delivery:	Actual learner hours
Rates:	We use your ACE Search and Rescue allocation provided against your actual delivery (ie, 50% delivery of learner hours means 50% recovery)

Delivery thresholds:	
Over:	N/A
Under:	100%

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
2022 Funding Mechanism for ACE (TEC website) Paras 37, 38	› Repayment of funding per 2022 MOU, P. 13, sections 26–30	Coordination fee is non-recoverable (paid from operations, not grants)

Repayment of ACE (SAR) Funding <i>(per the 2022 MOU with NEMA)</i>
<p>(a) If the Ministry receives Training Delivery Funding that is greater than it should have been, or that the Ministry was not entitled to receive, the Ministry agrees to treat the amount of over-funding as a debt due the TEC that:</p> <ol style="list-style-type: none"> i. is repayable on demand; and ii. may be set-off against all or any funding, or any sum of money payable by the TEC to the Ministry. <p>(b) The TEC will consider that the Ministry has received Training Delivery Funding that was greater than it should have been if the Ministry does not deliver all of the learning hours specified in the Mix of Provision. In that situation the TEC will recover the difference between the Ministry's actual volume of delivery and the Training Delivery Funding it has received.</p> <p>(c) Volume of delivery will be calculated using, for each training course or activity, the number of learner enrolments specified in the agreed Mix of Provision.</p> <p>(d) If the Ministry does not enrol the number of learners in a search and rescue training course or activity as specified in the agreed Mix of Provision, the TEC will recover the unused Training Delivery Funding at the training course or activity rate agreed to in the Mix of Provision.</p> <p>(e) If more learners are enrolled in a training course or activity than the number specified in the Mix of Provision, the over-delivery will be offset against under-delivery in any other training course or activity agreed to in the Mix of Provision (up to the maximum Training Delivery Funding allocated</p>



**Literacy and Numeracy
(LN) and English for
Speakers of Other
Languages (ESOL)**

Intensive Literacy and Numeracy – ESOL

Purpose of the fund:

The Intensive Literacy and Numeracy Fund – English for Speakers of Other Languages (ILN – ESOL) supports the intensive provision of high quality, fees-free ESOL literacy and numeracy learning opportunities, to help adult learners gain the literacy and numeracy skills needed to progress to further study or the workplace.

We fund specialised ESOL provision to:

- increase opportunities for adults to engage in literacy and numeracy learning, particularly migrants and refugees
- raise adults' literacy and numeracy skills to help learners progress onto further study and employment
- improve the quality and relevance of provision, including the ability to identify learner need and learning gain.

How we calculate your wash-up:

We will recover funding if you deliver less than 100% of your allocated ILN ESOL funding. We will recover the difference between the total delivery (dollars) and 100% of allocated ILN ESOL funding.

Recoveries are based on:	
Data:	Your most recent actual delivery data (measured by total face-to-face delivery hours), as submitted through Workspace 2
Unit of Delivery:	Actual delivery hours
Rates:	We use the 2022 Intensive Literacy and Numeracy – ESOL funding rates to calculate your actual delivery at a rate of \$19.63 per hour delivered

Delivery thresholds:	
Over:	N/A
Under:	100%

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
2022 Funding Mechanism for ILN ESOL (TEC website) Paras 40, 41 (p. 9)	› Repayment of funding P. 81, sect. 11	

Repayment of ILN ESOL Funding <i>(per the 2022 Funding Conditions Catalogue/Mechanism)</i>
(a) If you receive ILN ESOL Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that: <ol style="list-style-type: none"> i. is repayable on demand; and ii. may be set-off against all or any funding, or any sum of money payable by us to you.
(b) For the purposes of this Condition, we will determine whether you have received funding that was greater than it should have been by subtracting the total number of tuition hours delivered in the calendar year (based on actual attendance) from the hours approved in Appendix 1 of your Funding Confirmation Letter.

Intensive Literacy and Numeracy – Refugee English

Purpose of the fund:

The Intensive Literacy and Numeracy – Refugee English Fund (ILN Refugee English) supports refugees to reach a level of English that will allow them to enter employment or undertake their choice of vocational or degree-level education.

The ILN Refugee English Fund is a component of the Specialised English for Speakers of Other Languages funds (Specialised ESOL funds). The purpose of Specialised ESOL funds is to:

- increase opportunities for adults to engage in literacy and numeracy learning, particularly migrants and refugees
- raise adults' literacy and numeracy skills to help learners progress onto further study and employment, and
- improve the quality and relevance of provision, including the ability to identify learner need and learning gain.

Programmes funded through the ILN Refugee English Fund must be delivered without fees and lead to a recognised ESOL qualification at Level 3 or above on the New Zealand Qualifications and Credentials Framework.

How we calculate your wash-up:

We will recover funding if you deliver less than 100% of your allocated ILN ESOL Refugee English provision funding. We will recover the difference between the total delivery (dollars) and 100% of allocated ILN ESOL Refugee English provision funding.

Recoveries are based on:	
Data:	Your most recent actual delivery volume data (measured at the course level), as submitted through Workspace 2 in December 2022
Unit of Delivery:	Learner places
Rates:	We use the 2022 ILN Refugee English funding rates to calculate your actual delivery at the rates outlined below

Delivery thresholds:	
Over:	N/A
Under:	100%

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
2022 Funding Mechanism for ILN ESOL (TEC website) Paras 40, 41 (p. 9)	› Repayment of funding P. 89, sect. 11	

Repayment of ILN Refugee English Funding (per the 2022 Funding Conditions Catalogue/Mechanism)

- (a) If you receive ILN Refugee English Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that:
- i. is repayable on demand; and
 - ii. may be set-off against all or any funding, or any sum of money payable by us to you.
- (b) For the purposes of this Condition, we will determine whether you have received funding that was greater than it should have been if you do not deliver all of the places specified in your Investment Plan. This means that if you do not deliver the agreed number of places in your plan, then we will recover all funding associated with those undelivered places.
- (c) For ILN – Refugee English, recovery is based on the number of learner places not filled; both learner fees and pastoral care associated with these places will be recovered.

Note: Recovery of unused ILN ESOL Refugee English funding is based on the number of approved learner places not filled and the learner fees to be charged by the TEO if the places had been filled. This means that where a TEO does not deliver the number of places agreed, all ILN ESOL Refugee English funding (learner fees and pastoral care) associated with those unused places is recovered.

Individual ILN Refugee English Funding rates for 2022

EDUMIS	Provider Name	Contract Identifier	Rates (\$)
6004	Unitec New Zealand Limited	General	2,678.00
6006	Ara Institute of Canterbury	General	2,914.00
6007	Eastern Institute of Technology	General	2,821.00
6009	Universal College of Learning Ltd	General	2,918.00
6010	Manukau Institute of Technology Ltd	General	2,818.00
6014	Whitireia New Zealand	General	3,466.00
6019	Waikato Institute of Technology Ltd	General	2,512.00
6011	Nelson Marlborough Institute of Technology Limited	General	2,243.00
6013	Otago Polytechnic Ltd	General	2,264.00
9290	Education & Training Consultants New Zealand Limited	General	4,821.00
7004	Victoria University of Wellington	General	2,727.00
7008	Auckland University of Technology (AUT)	General	2,695.00
ALL	ALL	Pastoral Care	419.00

Intensive Literacy and Numeracy

Purpose of the fund:

The Intensive Literacy and Numeracy (ILN) Fund supports the intensive provision of high quality, fees-free literacy and numeracy learning opportunities for learners with low-level literacy and numeracy skills.

We fund intensive literacy and numeracy provision to:

- raise adults' literacy and numeracy skills
- increase opportunities for adults to engage in literacy and numeracy learning, particularly for those in low-skilled employment, and
- improve the quality and relevance of provision, including the ability to identify learner need and learning gain.

How we calculate your wash-up:

We will recover funding if you deliver less than 100% of your allocated ILN funding. We will recover the difference between the total delivery (dollars) and 100% of allocated ILN funding.

Recoveries are based on:	
Data:	Your most recent delivery volume data (total hours of delivery), as submitted through Workspace 2
Unit of Delivery:	Actual delivery hours
Rates:	We use the 2022 ILN funding rates to calculate your actual delivery at a rate of \$26.17 per delivery hour

Delivery thresholds:	
Over:	N/A
Under:	100%

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
2022 Funding Mechanism for ILN (TEC website) Paras 13, 14 (pp. 3, 4)	› Repayment of funding P. 72, sect. 10	

Repayment of ILN Funding (per the 2022 Funding Conditions Catalogue/Mechanism)
(a) If you receive ILN Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that: <ol style="list-style-type: none"> i. is repayable on demand; and ii. may be set-off against all or any funding, or any sum of money payable by us to you.
(b) For the purposes of this Condition, we will determine whether you have received ILN Fund Funding that was greater than it should have been by subtracting the total number of tuition hours delivered in the calendar year (based on actual attendance) from the hours approved in Appendix 1 your Funding Confirmation Letter.

TEO-led Workplace Literacy and Numeracy Fund

Purpose of the fund:

Workplace Literacy and Numeracy (WLN) – TEO-led funding supports the provision of literacy and numeracy programmes for employees to increase their literacy and numeracy skills and contribute to workplace productivity.

This is achieved by providing literacy and numeracy programmes of study or training to employees and supporting workplaces to establish sustainable workplace literacy and numeracy provision.

Initiatives funded through WLN should support high-quality learning that is tailored to the needs of the workplace.

How we calculate your wash-up:

We will recover funding if you deliver less than 100% of your allocated WLN – TEO-led funding. We will recover the difference between the total delivery (dollars) and 100% of allocated WLN – TEO-led funding.

Recoveries are based on:	
Data:	Your most recent actual delivery volume data (total hours of actual face-to-face delivery), as submitted through Workspace 2
Unit of Delivery:	Actual delivery hours
Rates:	We use the 2022 TEO-led WLN funding rates to calculate your actual delivery at a rate of \$78.50 per delivery hour

Delivery thresholds:	
Over:	N/A
Under:	100%

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
2022 Funding Mechanism for ILN (TEC website) Para 13, 14 (pp. 3, 4)	› Repayment of funding P. 161, sect. 10	

Repayment of TEO-led Workplace Literacy and Numeracy Funding <i>(per the 2022 Funding Conditions Catalogue Mechanism)</i>
(a) If you receive WLN Fund – TEO-led strand Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that: <ol style="list-style-type: none"> i. is repayable on demand; and ii. may be set-off against all or any funding, or any sum of money payable by us to you.
(b) For the purposes of this Condition, we will determine whether you have received WLN Fund – TEO-led strand Funding that was greater than it should have been by subtracting the total number of tuition hours

delivered in the calendar year (based on actual attendance) from the hours approved in Appendix 1 of your Funding Confirmation Letter.

TEO-led WLN that is recovered in 2022, will be kept available specifically for delayed learning that will occur in 2023 where the learning was planned for in 2022. The TEC will work with providers directly in 2023.

Adult Literacy Educator Fund

Purpose of the fund:

The purpose of Adult Literacy Educator (ALE) funding is to purchase provision that provides an effective literacy and numeracy teaching workforce by increasing capability of educators and trainers to teach literacy and numeracy skills to adults.

The intent of ALE funding is to:

- build an effective literacy and numeracy teaching workforce
- reduce the fees for qualifications for literacy and numeracy educators, and
- contribute to the tertiary education system in line with the Tertiary Education Strategy.

How we calculate your wash-up:

We will recover funding if you deliver less than 100% of your allocated Adult Literacy Educator funding. We will recover the difference between the total delivery (dollars) and 100% of allocated Adult Literacy Educator funding.

Recoveries are based on:	
Data:	Your most recent enrolments, as submitted through Workspace 2
Unit of Delivery:	Learner count
Rates:	We use the 2022 Adult Literacy Educator funding rates to calculate your actual delivery at a rate of \$2,094.00 per learner

Delivery thresholds:	
Over:	N/A
Under:	100%

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
2022 Funding Mechanism for ILN (TEC website) Paras 13, 14 (pp. 3, 4)	> Repayment of funding P. 33, sect. 9	

Repayment of Adult Literacy Educator Funding (<i>per the 2022 Funding Conditions Catalogue/Mechanism</i>)
(a) If you receive ALE Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that: <ol style="list-style-type: none"> i. is repayable on demand; and ii. may be set-off against all or any funding, or any sum of money payable by us to you.



Youth Funds

Gateway

Purpose of the fund:

Gateway funding enables secondary schools to give senior students access to structured workplace learning integrated with school-based learning. Students' learning is assessed in the workplace and they can achieve credits on the New Zealand Qualifications Framework (NZQF) towards their National Certificate of Educational Achievement (NCEA).

Gateway is designed to support school students' transition into the workforce by offering them workplace learning while at secondary school. This should include a formal agreement (like an individualised learning plan) between the school, the student, and the workplace.

The workplace learning should include set unit standards for the student to work towards and achieve and specific assessment methods.

How we calculate your wash-up:

We will recover funding if you deliver less than 100% of your allocated Gateway funding. We will recover the difference between the total delivery (dollars) and 100% of allocated Gateway funding.

Recoveries are based on:	
Data:	Your most recent actual delivery volume data (total number of distinct learner places), submitted through Workspace 2
Unit of Delivery:	Distinct learner count
Rates:	We use the 2022 Gateway funding rates to calculate your actual delivery at a rate based on the 2022 Funding rate sliding scale

Delivery thresholds:	
Over:	N/A
Under:	100%

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
2016 Funding Mechanism for Gateway (TEC website) Paras 25, 26 (p. 5)	› Repayment of funding P. 53, sect. 6	Establishment fee is non-recoverable

Repayment of Gateway Funding (<i>per the 2022 Funding Conditions Catalogue/Mechanism</i>)
(a) If you receive Gateway Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that: <ol style="list-style-type: none"> i. is repayable on demand; and ii. may be set-off against all or any funding, or any sum of money payable by us to you.

Youth Guarantee (YG) and YG Premium Payment

Purpose of the fund:

Youth Guarantee (YG) initiatives improve the transition from school to work by providing a wider range of learning opportunities, making better use of the education network, and creating clear pathways from school to work and study.

How we calculate your wash-up:

We will recover funding if you deliver less than 100% of your allocated YG funding. We will recover the difference between the total delivery (dollars) after Funding Condition offsets and 100% of allocated YG funding.

Recoveries are based on:	
Data:	Your most recent actual delivery data (at the qualification level), submitted through the December 2022 Single Data Return (SDR) .
Unit of Delivery:	Equivalent Full-Time Student (EFTS)
Rates:	We use the 2022 YG funding rates to calculate your actual delivery at a rate of \$14,967.00 (for Trades qualifications) and \$11,304.00 (for Non-Trades qualifications) per EFTS We use the 2022 YG Exceptional Travel funding rates to calculate your actual delivery based on the rates below

Delivery thresholds:	
Over:	102% or 100% + 10 EFTS, whichever is greater
Under:	100%

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
2022 Funding Mechanism for YG (TEC website) Paras 47–49 (p. 9)	<ul style="list-style-type: none"> › Repayment of funding › Early withdrawal of enrolments › Flexible funding › TEO not to over-deliver Level 3 EFTS Flexible funding, p. 168 Level 3 EFTS over-delivery, p. 178 SDR Manual 2022 , p. 111	Excludes Exceptional Travel which is calculated through a separate process

Repayment of Youth Guarantee (YG) and YG Premium Payment <i>(per the 2022 Funding Conditions Catalogue/Mechanism)</i>
(a) If you receive YG Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that: <ol style="list-style-type: none"> i. is repayable on demand; and ii. may be set-off against all or any funding, or any sum of money payable by us to you

Early withdrawal of enrolments: We will reduce the dollar value of actual delivery by subtracting enrolments for which students have not completed 10% or one month of the course, whichever is the earlier.

TEO not to over-deliver Level 3 EFTS: If you have been allocated YG Fund Funding to deliver qualifications of Level 3 on the NZQF, you must not exceed that allocation for the Level 3 delivery. If you deliver more provision at Level 3 on the NZQF than that which you have been allocated, we will recover YG Fund Funding for the amount of provision that you have over-delivered.

Note: Those providers who deliver 100% at L3, as a result of this condition, will become ineligible for flexible funding.

Calculation steps:

- (i) Calculate under- or over-delivery from YG funding
- (ii) Calculate under- or over-delivery from Premium Allocations funding, relating to the 20% funding premium for Level 1–3 courses that lead towards a Level 1 or 2 qualification
- (iii) Combine the YG and Premium Payment under-delivery/over-delivery
- (iv) Calculate Flexible Funding, if applicable
- (v) Calculate overall wash-up

Flexible funding:

- (a) We will allocate you additional YG Fund Funding to that specified in your Funding Confirmation Letter if:
 - (i) you are a “qualifying tertiary education organisation (TEO)”, which means you:
 - A. have a New Zealand Qualifications Authority (NZQA) External Evaluation and Review (EER) status of Category 1 or 2 (except Te Pūkenga); and
 - B. are approved by us to receive a minimum of \$226,081 from the YG Fund for the calendar year; and (C) have an average 2021 course completion rate of 55% or higher; and
 - (ii) the value of provision you actually deliver as measured in dollars (as determined by us), is greater than the value of your approved funding allocation.
- (b) The additional funding available to be allocated is up to the following limits, either:
 - (i) 2% of your approved funding allocation; or
 - (ii) 10 EFTS (we will calculate 10 EFTS of delivery using the average EFTS rate of your total actual delivery, as determined by us); whichever is greater.

We may establish criteria to allocate funding above the additional funding limits described in (b) if we have assessed that we have sufficient funding available to provide funding above those limits.

In addition to the eligibility criteria, Flexible Funding delivery for YG will be defined as:

- total of: Level 1 delivery and Level 2 delivery, and
- lower of: Level 3 delivery and Level 3 commitments.

Youth Guarantee funding rates for 2022

Youth Guarantee funding rates: We will calculate your actual delivery at a rate of \$14,967.00 (for Trades qualifications) and \$11,304.00 (for Non-Trades qualifications) per EFTS.

YG Exceptional Travel funding rates: We will calculate your actual delivery at a rate per EFTS per the below:

Rate Category	Value
Major urban area	\$0.00
Large urban area	\$0.00
Medium urban area	\$628.00
Small urban area	\$1,046.00
Rural settlement	\$1,046.00
Rural other	\$1,046.00



Māori and Pasifika Trades Training (MPTT)

MPTT Fees Top-Up

Purpose of the fund:

The purpose of MPTT funding is to increase access for Māori and Pasifika learners to vocational and pre-employment training. This enables these learners to develop skills for sustainable employment and achieve better employment outcomes. MPTT funding is paid to organisations that are part of an approved consortium.

How we calculate your wash-up:

We will recover funding if you deliver less than 100% of your allocated MPTT fees top up funding. We will recover the difference between the total delivery (dollars) less conditional offsets and 100% of allocated MPTT fees top-up funding at a provider-consortium level.

Recoveries are based on:	
Data:	Your most recent actual delivery volume data (measured in EFTS at provider-consortium level), as submitted through the December 2022 Single Data Return (SDR)
Unit of Delivery:	Equivalent Full-Time Student (EFTS) (at provider-consortium level)
Rates:	We use the 2022 MPTT Fees Top-Up funding rates to calculate your actual delivery at a rate of \$5,125.00 per EFTS

Delivery thresholds:	
Over:	N/A
Under:	100%

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
2022 Funding Mechanism for MPTT (TEC website) Paras 52, 53 (p. 11)	Repayment of funding P. 96-97, sect. 11 Early withdrawal of enrolments SDR Manual 2022 , p. 111	National Student Numbers (NSNs) are matched to consortia

Repayment of MPTT Fees Top-Up Funding (<i>per the 2022 Funding Conditions Catalogue/Mechanism</i>)
(a) If you receive MPTT Fees Top-up Fund Funding and/or MPTT Brokerage Services Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that: <ul style="list-style-type: none"> (i) is repayable on demand; and (ii) may be set-off against all or any funding, or any sum of money payable by us to you. (b) If you receive MPTT Fees Top-ups Fund Funding or MPTT Brokerage Services Fund Funding that is less than it should have been, or that you were entitled to receive, we will treat the amount of the under-funding as a credit and pay the amount as soon as is reasonably practicable.

- (c) For the purposes of this Condition, any MPTT Fees Top-ups Fund Funding or MPTT Brokerage Services Fund Funding that remains unspent at 31 December 2022 will be counted as an amount of funding that is greater than it should have been.

We will recover funding at the provider-consortia level, based on individual contracts.

Offsets:

Early withdrawal of enrolments: We will reduce the dollar value of actual delivery by subtracting enrolments for which students have not completed 10% or one month of the course, whichever is the earlier.

MPTT Brokerage Monthly

Purpose of the fund:

Māori and Pasifika Trades Training (MPTT) funding provides fees-free tertiary places for Māori and Pasifika learners aged between 16 and 40 to achieve in pre-trades training and progress to sustainable trades or trades-related employment (including New Zealand Apprenticeships), other successful industry training programmes at Level 3 and above on the New Zealand Qualifications Framework (NZQF), and managed apprenticeships.

The purpose of MPTT funding is to increase access for Māori and Pasifika learners to vocational and pre-employment training. This enables these learners to develop skills for sustainable employment and achieve better employment outcomes.

This methodology only applies to the first 50% of the brokerage funding (\$591 per learner), which is paid up-front. It does not include the incentive portion (second 50%) of brokerage funding (\$591 per learner).

How we calculate your wash-up:

We will recover funding if you deliver less than 100% of your allocated MPTT Brokerage funding. We will recover the difference between the actual number of eligible learners and 100% of the allocated MPTT Brokerage funding. We will only pay MPTT Brokerage in relation to a learner once.

Recoveries are based on:	
Data:	Your most recent actual delivery volume data (measured in EFTS at provider-consortium level), as submitted through the December 2022 Single Data Return (SDR) When determining the actual number of eligible learners we will make adjustments to the number of learners reported by you in your most recent actual delivery data submitted through the 2022 December SDR (as reported in the Single Data Return (SDR) source of funding code 28 and 29) .
Unit of Delivery:	Eligible learners
Rates:	This methodology only applies to the first 50% of the brokerage funding (\$591 per learner), which is paid up-front. It does not include the incentive portion (second 50%) of brokerage funding (\$591 per learner).

Delivery thresholds:	
Over:	N/A
Under:	100%

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
2022 Funding Mechanism for MPTT (TEC website) Paras 52, 53 (p. 11)	› Repayment of funding P. 96-97, sect. 11 Early withdrawal of enrolments SDR Manual 2022 , p. 111	NSNs are matched to consortia

Repayment of MPTT Brokerage Monthly Funding (per the 2022 Funding Conditions Catalogue/Mechanism)

- (a) If you receive MPTT Fees Top-up Fund Funding and/or MPTT Brokerage Services Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that:
 - (i) is repayable on demand; and
 - (ii) may be set-off against all or any funding, or any sum of money payable by us to you.
- (b) If you receive MPTT Fees Top-ups Fund Funding or MPTT Brokerage Services Fund Funding that is less than it should have been, or that you were entitled to receive, we will treat the amount of the under-funding as a credit and pay the amount as soon as is reasonably practicable.
- (c) For the purposes of this Condition, any MPTT Fees Top-ups Fund Funding or MPTT Brokerage Services Fund Funding that remains unspent at 31 December 2022 will be counted as an amount of funding that is greater than it should have been.

We will recover funding at the provider-consortia level, based on individual contracts.

Success is non-recoverable as is paid on actuals.

Offsets:

Early withdrawal of enrolments: We will reduce the dollar value of actual delivery by subtracting enrolments for which students have not completed 10% or one month of the course, whichever is the earlier.

Prior year enrolment (MPTT Brokerage Monthly only): We will exclude learners who have been enrolled in MPTT in a prior year, whether or not they have received MPTT Brokerage funding.

Multiple TEO enrolments: We will only pay MPTT Brokerage once per learner. Where we identify that a learner is enrolled with more than one TEO, we will only pay once to the TEO for the learner with the earliest start date. Therefore, an adjustment will be made to the TEO that has not reported the earliest course start date for the learner.

If there is an NSN with the same course start date but reported in multiple providers, we verify the learner's first provider enrolment based on the actual reporting in the first instance. If this does not resolve the issue, we hold payment from both providers, and contact the consortium to confirm which provider the NSN is enrolled with. The providers will resubmit the report and we will pay the correct provider.

MPTT Consortium Activities

Purpose of the fund:

Māori and Pasifika Trades Training (MPTT) funding provides fees-free tertiary places for Māori and Pasifika learners aged between 16 and 40 to achieve in pre-trades training and progress to sustainable trades or trades-related employment (including New Zealand Apprenticeships), other successful industry training programmes at Level 3 and above on the New Zealand Qualifications Framework (NZQF), and managed apprenticeships.

The purpose of MPTT funding is to increase access for Māori and Pasifika learners to vocational and pre-employment training. This enables these learners to develop skills for sustainable employment and achieve better employment outcomes.

Consortium activities funding is paid to support activities that will complement SAC-funded provision for Māori and Pasifika learners and provide the opportunity for learners to gain entry-level employment in their chosen trade.

The funded activities must support learner pathways into trades training and employment.

How we calculate your wash-up:

We will recover funding if you deliver less than 100% of your allocated MPTT Consortium Activities funding. We will recover the difference between the actual amount spent on Consortium Activities and 100% of the allocated MPTT Consortium Activities funding.

Recoveries are based on:	
Data:	Your most recent actual delivery data (actual year-end spend) as submitted through your year-end Progress Report through Workspace 2 We will recover funding at the provider-consortia level, based on individual contracts
Unit of Delivery:	Expenditure (Dollars)
Rates:	We will recover funding at the provider-consortia level, based on individual contracts

Delivery thresholds:	
Over:	N/A
Under:	100%

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
2022 Funding Mechanism for MPTT (TEC website) Paras 52, 53 (p. 11)	Repayment of funding P. 104, sect. 11	

Repayment of MPTT Consortium Activities Funding *(per the 2022 Funding Conditions Catalogue/Mechanism)*

- (a) If you receive MPTT Consortium Activities Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that:
- i. is repayable on demand; and
 - ii. may be set-off against all or any funding, or any sum of money payable by us to you.
- (b) For the purposes of this Condition, any MPTT Consortium Activities Fund Funding that remains unspent at 31 December 2022 will be counted as an amount of funding that is greater than it should have been.

Recovery of MPTT Consortium Activities is independent of recovery from MPTT Consortium Learner Support.

MPTT Consortium Learner Support

Purpose of the fund:

Māori and Pasifika Trades Training (MPTT) funding provides fees-free tertiary places for Māori and Pasifika learners aged between 16 and 40 to achieve in pre-trades training and progress to sustainable trades or trades-related employment (including New Zealand Apprenticeships), other successful industry training programmes at Level 3 and above on the New Zealand Qualifications Framework (NZQF), and managed apprenticeships.

The purpose of MPTT funding is to increase access for Māori and Pasifika learners to vocational and pre-employment training. This enables these learners to develop skills for sustainable employment and achieve better employment outcomes.

Learner Support funding will allow learners to have access to the support funding when they need it, as assessed by the consortium. The Learner Support funding replaces the existing MPTT Tools Grant (effective 1 January 2019). The policy change is to make it easier for learners to get direct support sooner.

Learner Support funding goes directly (by way of products and services) to the learner for specific items to support their success. An audit trail for each learner must be recorded, identifying what each learner has received, and the associated cost.

How we calculate your wash-up:

We will recover funding if you spend less than 100% of your allocated MPTT Consortium Learner Support funding. We will recover the difference between the actual spend and 100% of the allocated MPTT Consortium Learner Support funding.

Recoveries are based on:	
Data:	Your most recent actual delivery data (actual year-end spend) as submitted through your year-end Progress Report through Workspace 2 We will recover funding at the provider-consortia level, based on individual contracts.
Unit of Delivery:	Expenditure (Dollars)
Rates:	We will recover funding at the provider-consortia level, based on individual contracts.

Delivery thresholds:	
Over:	N/A
Under:	100%

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
2022 Funding Mechanism for MPTT (TEC website) Paras 52, 53 (p. 11)	Repayment of funding P. 104, sect. 11	

Repayment of MPTT Consortium Learner Support Funding (per the 2022 Funding Conditions Catalogue/Mechanism)
<p>(a) If you receive MPTT Consortium Learner Support Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that:</p> <ul style="list-style-type: none"> i. is repayable on demand; and ii. may be set-off against all or any funding, or any sum of money payable by us to you. <p>(b) For the purposes of this Condition, any MPTT Consortium Learner Support Funding that remains unspent at 31 December 2022 will be counted as an amount of funding that is greater than it should have been.</p> <p>Recovery of MPTT Consortium Learner Support is independent of recovery from MPTT Consortium Activities.</p>



Student Achievement Component

Student Achievement Component 1 & 2

Purpose of the fund:

The Student Achievement Component (SAC) is the Government's contribution towards the cost of teaching and learning services for students enrolled at a tertiary education organisation (TEO).

Students must be studying towards a qualification listed on the New Zealand Qualifications Framework (NZQF).

Funding for foundation education, including SAC Levels 1 and 2 funding:

- provides a low-cost way for people who do not have essential foundation skills to achieve these skills
- supports students to progress to higher levels of study and gain skilled employment
- builds the literacy and numeracy skills of eligible students
- enables beginner students to learn English or te reo Māori, and
- supports TEOs that can best meet the needs of foundation education students.

How we calculate your wash-up:

We will recover funding if you deliver less than 99% of your allocated SAC Levels 1 and 2 funding. We will recover the difference between the total delivery (dollars) less condition offsets as detailed below and 99% of allocated SAC Levels 1 and 2 funding.

Recoveries are based on:	
Data:	Your most recent actual delivery volume data for SAC Levels 1 and 2 SoF 26 and 28 (at the qualification level), submitted through the December 2022 Single Data Return (SDR)
Unit of Delivery:	Equivalent Full-Time Student (EFTS)
Rates:	We use the 2022 SAC 1 and 2 funding rates to calculate your actual delivery at a rate based on the table below per EFTS

Delivery thresholds:	
Over:	N/A
Under:	99% (100% for TEOs with zero delivery)

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
2022 Funding Mechanism for SAC 1 and 2 (TEC website) Paras 52–55 (pp. 9, 10)	› Repayment of funding › Early withdrawal of enrolments P. 133, sect. 11 SDR Manual 2022 , p. 111	The Special Supplementary Grant (SSG) for Special Education is non-recoverable

Repayment of Student Achievement Component 1 and 2 Funding <i>(per the 2022 Funding Conditions Catalogue/Mechanism)</i>
(a) If you receive SAC 1&2 Fund Funding and/or SSG Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that:

- i. is repayable on demand; and
- ii. may be set-off against all or any funding, or any sum of money payable by us to you.

(b) For the purposes of this Condition, you will have received SAC 1&2 Fund Funding that was “greater than it should have been” if the total dollar value of the SAC provision that was delivered by you within the funding year is less than 99% of the total dollar value of the SAC provision paid to you from SAC 1&2 Fund Funding. In that situation, the percentage of funding that is repayable is equal to the difference between the bottom of the tolerance band (99%) and the percentage value of the provision that was delivered.

(c) We may recover a proportion of your funding for enrolments above the prior qualification limit.

Early withdrawal of enrolments: We will reduce the dollar value of actual delivery by subtracting enrolments for which students have not completed 10% or one month of the course, whichever is the earlier.

Student Achievement Component Levels 1 and 2 Funding rates for 2022

Rate Category	Rates (\$)
Te Reo Māori	\$8,373
English for Speakers of Other Languages	\$8,373
General Foundation Education	\$8,896
Services	\$9,421
Supported Learning	\$13,607
Trades	\$13,607

Student Achievement Component Level 3 and Above (excluding Secondary ITE)

Purpose of the fund:

The Student Achievement Component (SAC) is the Government’s contribution towards the cost of teaching and learning services for students enrolled at a tertiary education organisation (TEO).

Students must be studying towards a qualification listed on the New Zealand Qualifications Framework at Level 3 and above.

How we calculate your wash-up:

We will recover funding if you deliver less than 99% of your allocated SAC Level 3 and above funding. We will recover the difference between the total delivery (dollars) adjusted for condition offsets as detailed below, and 99% of allocated SAC Level 3 and above funding.

Recoveries are based on:

Data:	Your most recent actual delivery volume data (at the course level), submitted through the December Single Data Return
Unit of Delivery:	Equivalent Full-Time Student (EFTS)
Rates:	We use the 2022 SAC3+ funding rates to calculate your actual delivery at a rate based on table per EFTS .

Delivery thresholds:	
Over:	102%/103% or 100% + 10 EFTS, whichever is greater
Under:	99% (100% for TEOs with zero delivery)

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
2022 Funding Mechanism for SAC 3+ (TEC website) Paras 70–72 (p. 13)	› Repayment of funding › Early withdrawal of enrolments P. 153, sect. 16 SDR Manual 2022 , p. 111	

Repayment of Student Achievement Component Level 3 and Above Funding (*per the 2022 Funding Conditions Catalogue/Mechanism*)

- (a) If you receive SAC Level 3+ Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that:
- (i) is repayable on demand; and
 - (ii) may be set-off against all or any funding, or any sum of money payable by us to you.
- (b) For the purposes of this Condition, you will have received SAC Level 3+ Fund Funding that was “greater than it should have been” if the total dollar value of the provision that was delivered by you within the Funding Period is less than 99% of the total dollar value for provision paid to you from SAC Level 3+ Fund Funding. In that situation, the percentage of funding that is repayable is equal to the difference between the bottom of the tolerance band (99%) and the percentage value of the provision that was delivered.

Early withdrawal of enrolments: We will reduce the dollar value of actual delivery by subtracting enrolments for which students have not completed 10% or one month of the course for which they have enrolled, whichever is the earlier.

Flexible funding

- (a) We will allocate you additional SAC Level 3+ Fund Funding to that specified in your Funding Confirmation Letter if:
- (i) you are a “qualifying TEO”, which means you:
 - A. have a New Zealand Qualifications Authority (NZQA) External Evaluation and Review (EER) status of Category 1 or 2 (except for universities and Te Pūkenga); and
 - B. are approved by us to deliver a minimum of 20 equivalent full-time students (EFTS) in 2022; and
 - C. have an average 2021 course completion rate of 70% or higher for SAC Level 3+; and
 - (ii) one of the following applies:
 - A. you are a tertiary education institution (TEI) or Rural Education Activities Programme (REAP) provider and the value of provision you actually deliver (as determined by us), as measured in dollars, is greater than the value of your approved funding allocation; or
 - B. you are a private training establishment (PTE) and the value of provision you actually deliver (as determined by us), as measured in dollars, that is approved by us (being the value of provision measured in dollars for which we allocate funding and the value of provision measured in dollars for which we do not allocate funding) is exceeded.
- (b) The additional funding available to be allocated is up to the following limits, either:
- (iii) 2% of your approved funding allocation or 3% of your approved funding allocation for higher performing organisations listed in Appendix Four; or

- (iv) 10 EFTS (we will calculate 10 EFTS of delivery using the average EFTS rate of your total actual delivery as determined by us), whichever is greater.
- (c) Any additional funding will be calculated using information provided in the December Single Data Return (SDR), with payments made in April of the following year.
- (d) We may establish criteria to allocate funding above the additional funding limits described in (b), if we have assessed that we have sufficient funding available to provide funding above those limits.

Providers that only deliver provision in aviation (qualifications that include an in-flight training component) are not eligible for flexible funding.

- 7123 - North Shore Helicopter Training Limited
- 7256 - Southern Wings Limited
- 7413 - Waikato Aero Club Incorporated
- 7826 - Wanaka Helicopters Limited
- 8026 - Air Hawkes Bay Limited
- 8031 - Christchurch Helicopters 2001 Limited
- 8074 - New Zealand International Commercial Pilot Academy Limited
- 8589 - International Aviation Academy of NZ Ltd
- 8595 - Nelson Aviation College Limited
- 8638 - Ardmore Flying School Limited

Calculation

Step 1 We will calculate early withdrawal of enrolments as above.

Step 2 We will test the condition offsets recovery data to check there are no National Student Number duplications before we calculate the condition offsets by NSNs using course enrolment level data submitted through the December SDR

Step 3 Following steps 1 and 2 we will calculate the actual SAC 3+ delivery volume for the year

Providers with 103% over-delivery threshold

The approved organisations entitled up to 103% are the **University of Auckland (7001)** and **Bay of Plenty School of Welding (8270)**.

Exclusions from flexible funding:

Secondary Initial Teacher Education (Secondary ITE): This is considered separately as the wash-up methodology is different from the rest of SAC3+.

Provision delivered on a capped provision delivery: TEOs that deliver on capped provision may meet the eligibility criteria for Flexible Funding **but** the provision delivered itself on a capped provision delivery is not eligible for Flexible Funding (eg, aviation provision – qualifications that include an in-flight training component).

Furthermore, SAC 3+ funding may not be used to deliver more than the EFTS agreed for aviation provision in the 2021 Mix of Provision. If more EFTS are delivered with SAC3+ funding, the amount of over-funding will be treated as a debt to the Crown (calculated at the average funding rate for the relevant qualifications).

Other TEO-specific matters – Additional provider condition:

University of Otago and the 2018 Cohort Dentistry Cap Offset: High-cost provision – dentistry:

SAC 3+ funding may not be used to deliver more than 60 EFTS for dentistry (intermediate) year 1 intake provision (of which 10 EFTS are for students of rural origin). If more EFTS are delivered with SAC 3+ funding, the amount of over-funding will be treated as a debt to the Crown (calculated at the relevant funding rate for course classification #07).

In 2018, there was over-enrolment, above the cap. A list of student NSNs has been compiled, for which SAC3+ delivery for the Bachelor of Dentistry will not be funded. The associated EFTS, at a funding category of R2 (\$55,519/EFTS), constitutes an offset that will be applied until the last of the cohort graduates.

The procedure to calculate the 2018 Cohort Dentistry Cap offset is as follows:

1. Criteria for the selection of 2018 Cohort Dentistry Cap records. Select:
 - a. 'Student Achievement Component at Level 3 and above' with 'Source of funding' codes is: #01.
 - b. TEO code is 7007
 - c. Qualification code is: OO0056 – "Bachelor of Dental Surgery"
 - d. Funding category R2 funding rate

EFTS consumed by NSNs on Otago 2018 Dentist Cap Breach - Agreed List of NSNs full and breach NSNs:

Cap breach				
122565881	125443881	128113654	128970251	133973071
125322370	125650035	128279873	129337771	141025098
125379121	125664576	128890737	129399073	
125393857	125902007	128930969	130170248	

University of Waikato and the Certificate of University Preparation (CUP) Programme:

SAC3+ funding may not be used to deliver more than 150 EFTS for SAC Level 4 for the Waikato 2022 - Certificate of University Preparation (CUP) programme of study. Actual delivery is identified by Qualification Code WIO290 Certificate of University Preparation.

The TEC will monitor the University of Waikato's CUP delivery and will reduce their dollar value of actual delivery by the full funding for every EFTS or part EFTS delivered above the cap, at the SAC funding category rate of A1 from 2021 (\$6,589/EFTS).

Other additional provider conditions: caps on provision

Massey University – aviation provision (126 EFTS)

Massey University – veterinary science (100 EFTS for Year 1 intake)

The University of Auckland – medical undergraduate (257 EFTS for Year 1 intake)

Lincoln University – specialist large animal science (70 EFTS)

The University of Otago – medical undergraduate (282 EFTS for Year 1 intake)

The University of Otago – dentistry (60 EFTS for Year 1 (intermediate) intake)

In all cases, if SAC Level 3+ Fund Funding is used to deliver more than the approved amount of EFTS specified above, we will treat the amount of over-funding as a debt due to the Crown in accordance with the Conditions described in the Fund-specific Conditions 2022 – SAC Level 3+ Fund. The amount of the debt due will be calculated at the funding rate for the relevant qualifications.

SAC3+ Secondary Initial Teacher Education

Purpose of the fund:

The Student Achievement Component (SAC) is the Government's contribution towards the cost of teaching and learning services for students enrolled at a tertiary education organisation (TEO). Students must be studying towards a qualification listed on the New Zealand Qualifications Framework at Level 3 and above.

Secondary Initial Teacher Education (ITE) aims to help ensure New Zealand has a high quality, diverse and sustainable teaching workforce that makes a positive difference for all our tamariki and rangatahi, and to achieve positive career outcomes for graduates.

How we calculate your wash-up:

We will recover funding if you deliver less than 99% of your allocated SAC Level 3 and above SITE funding. We will recover the difference between the total delivery (dollars) adjusted for condition offsets as detailed below, and 99% of allocated SAC Level 3 and above SITE funding.

Recoveries are based on:	
Data:	Your most recent actual delivery volume data (at the course level), submitted through the December Single Data Return
Unit of Delivery:	Equivalent Full-Time Student (EFTS)
Rates:	We use the 2022 SAC3+ funding rates to calculate your actual delivery at a rate based on table per EFTS .

Delivery thresholds:	
Over:	No limit
Under:	99% (100% for TEOs with zero delivery)

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
2022 Funding Mechanism for SAC 3+ (TEC website) Paras 70–72 (p. 13)	<ul style="list-style-type: none"> › Repayment of funding › Early withdrawal of enrolments › Full payment for over-delivery P. 153, sect. 16 SDR Manual 2022 , p. 111 2022 Organisation Specific Funding Condition	This is treated as a separate initiative, calculated separately from other SAC3+ funding.

Repayment of Secondary Initial Teacher Education Funding
If you receive funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that: (i) is repayable on demand; and (ii) may be set-off against all or any funding, or any sum of money payable by us to you.
Definition of Secondary Initial Teacher Education (ITE): "Initial teacher education" means:

- (i) if you are a tertiary education institution (TEI), provision that has a course classification of #20, and a funding category of I (as set out in Appendix 1 of the Student Achievement Component at Level 3 and above (SAC Level 3+) funding mechanism); or
- (ii) if you are a private training establishment (PTE), an agreed list of qualifications leading to registration as a secondary teacher.

Offsets:

Early withdrawal of enrolments: We will reduce the dollar value of actual delivery by subtracting enrolments for which students have not completed 10% or one month of the course for which they have enrolled, whichever is the earlier.

Full payment for over-delivery: We will pay for all over-delivery of SITE above 100% for funded providers.

Providers of Secondary Initial Teacher Education with specific qualifications:

The Secondary ITE providers:

EDUMIS	TEI
7001	The University of Auckland
7002	University of Waikato
7003	Massey University
7004	Victoria University of Wellington
7005	University of Canterbury
7007	University of Otago
7008	Auckland University of Technology
6683	Open Polytechnic of New Zealand / Te Pūkenga

EDUMIS	TEO	Qualification
8327	NZ Graduate School of Education Limited	PCCC01: Graduate Diploma in Teaching (Secondary)
8694	Bethlehem Institute Limited	PC1796: Graduate Diploma of Teaching (Secondary)
6668	Teach First New Zealand Trust	125988: Postgraduate Diploma in Secondary Teaching
8563	Laidlaw College	4122: Graduate Diploma of Education (Secondary)

Approval of Qualifications for Initial Teacher Education is carried out by the [Teaching Council of Aotearoa New Zealand](#) and [TeachNZ](#).

Change from 2021: Removal of The Mind Lab Limited (9185) (124250: Master of Teaching and Education Leadership) per the updated Funding Confirmation Letter and change in allocation.



Industry Training Funding

Industry Training Fund

Purpose of the fund:

Industry training provides formal, structured employment-based training leading to qualifications, predominantly at Levels 1 to 4 on the NZQF. Industry training is a partnership between government and industry and is provided to people in employment. It helps support the development of skills that meet industry needs.

The Industry Training Fund enables industry training organisations (ITOs) to:

- develop and maintain skill standards (unit standards and qualifications), and
- develop and maintain arrangements for delivering training.

It also supports industry training-related projects:

- to help organise vocational skills competitions, such as WorldSkills, and
- to assist ITOs to undertake joint ventures or mergers, support best practice or enhance their efficiency and effectiveness.

The Industry Training Fund is the Government's contribution to the cost of training. The balance of the full cost of training is met through contributions from employers, trainees and apprentices.

How we calculate your wash-up:

We will recover funding if you deliver less than 100% of your allocated Industry Training Fund funding. We will recover the difference between the total delivery (dollars) after offsets and 100% of allocated Industry Training Fund funding.

Recoveries are based on:	
Data:	Your most recent actual delivery volume data measured by Standard Training Measures (STMs), submitted through the Industry Training Register (ITR) , as at the date the data is captured (31 March 2023) after we subtract the average-duration offset, under-achievement offset and the over-enrolment offset
Unit of Delivery:	Standard Training Measure (STM)
Rates:	We use the 2022 Industry Training Fund funding rates to calculate your actual delivery at a rate of Industry Trainees at \$3,517 per STM and NZ Apprenticeships at \$5,716.00 per STM

Delivery thresholds:	
Over:	102% or 10 STMs for NZ Apprenticeships, whichever is greater
Under:	100%

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
2022 Funding Mechanism for ITE (TEC website) Flexible funding: Paras 12–15 (p. 3) Recovery of over-funding: Paras 66, 67 (p. 12)	› Repayment of funding › Actual average duration offset › Monthly over-enrolment offset › Annual over-enrolment offset › Under-achievement offset › Flexible Funding (NZ Apprenticeships funding only) P. 64, sect. 15	See Appendix Three for organisations exempted from over-duration, over-enrolment and under-achievement offsets

Repayment of Industry Training Fund Funding (*per the 2022 Funding Conditions Catalogue/Mechanism*)

- (a) If you receive funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that:
- (i) is repayable on demand; and
 - (ii) may be set-off against all or any funding, or any sum payable by us to you.

Definition of “funding that is greater than it should have been”

- (b) The extent to which you will have received funding from the Industry Training Fund that was greater than it should have been calculated by applying Conditions 15(b)(i) to (v) in the order that they appear:
- (i) if you do not arrange delivery of training during the Funding Period up to the dollar value for which you have been funded (in that situation, we will separately recover funding for industry trainees, and apprentices, based on the rates of funding that apply); and
 - (ii) if the actual average duration of a programme of training exceeds the nominal duration of a programme (over-duration) to the extent of the over-duration; and
 - (iii) if an individual industry trainee or apprentice has been enrolled in more than 10 nominal credits in any calendar month (monthly over-enrolment), to the extent of the annual over enrolment; and
 - (iv) if an individual industry trainee or apprentice has been enrolled in more than 75 nominal credits over the calendar year (annual over-enrolment); and
 - (v) if less than 80% of the industry trainees and New Zealand Apprentices achieve the minimum of 10 credits where their enrolments were eligible for funding for four months or more in the calendar year (under-achievement), we will deduct funding for each percentage point below 80% up to a maximum of 5.0% of the net funding.

Offsets:

The extent to which you have received funding from the Industry Training Fund that was greater than it should have been is calculated by applying conditions (i) to (iv), **in order**, with conditions (ii)–(iv) reducing the value of the delivery.

- (i) If you do not arrange delivery of training during the Funding Period up to the dollar value for which you have been funded, we will recover the over-funding at the Fund level after calculating the separate over-/under-delivery for industry trainees and for apprentices which will offset each other.
- (ii) The over-duration offset.

Actual average duration offset:

If the actual average duration of a programme of training exceeds the nominal duration of a programme, the actual delivery will be reduced to the extent of the average duration, measured in Standard Training Measures (STMs).

- (iii) The monthly over-enrolment offset and the annual over-enrolment offset.

Monthly over-enrolment offset:

If an individual industry trainee or apprentice has been enrolled in more than 10 nominal credits in any calendar month, the actual delivery will be reduced to the extent of the monthly over-enrolment, measured in STMs.

Annual over-enrolment offset:

If an individual industry trainee or apprentice has been enrolled in more than 75 nominal credits over the calendar year, the actual delivery will be reduced to the extent of the annual over-enrolment, measured in STMs.

- (iv) The under-achievement offset.

Under-achievement offset:

If less than 80% of the industry trainees and apprentices achieve the minimum of 10 credits where their enrolments were eligible for funding for four months or more in the calendar year, we will deduct funding for each percentage point below 80% up to a maximum of 5% of the net funding.

Flexible funding:

- (a) We will allocate you Industry Training Fund Funding that is additional to the allocations specified in your Funding Confirmation Letter if:
- (i) you are a “qualifying TEO”, which means you:
 - A. have a New Zealand Qualifications Authority (NZQA) External Evaluation and Review (EER) status of Category 1 or 2 (except for Te Pūkenga); and
 - B. have a credit achievement rate of 70% or higher for New Zealand Apprenticeships in the calendar year; and
 - (ii) the value of provision you actually deliver after offsets as measured in dollars (as determined by us) is greater than the value of your approved funding allocation.
- (b) The additional funding available to be allocated is up to the following limits, either:
- (i) 2% of your approved funding allocation for New Zealand Apprenticeships for a year; or
 - (ii) 10 standard training measures (STMs) for New Zealand Apprenticeships, whichever is greater.
- (c) We may establish criteria to allocate funding above the additional funding limits described in paragraph (b) above if we have assessed that we have sufficient funding available to provide funding above those limits.

For receiving organisations, other than Te Pūkenga Work Based Learning, the TEO is a qualifying TEO in the year of transition if:

- the former TITO has an ERR rating of 1 or 2 in the year of transition; and
- the combined credit achievement of the transitioning TITO and the receiving provider exceeds 70%; or
- the pre-transition credit achievement rate for the transitioning TITO exceeded 70% and the receiving provider credit achievement rate exceeds 50%; and
- the total delivery (dollars) after offsets as measured in dollars (as determined by us) is greater than the approved funding allocation.

TEO-specific matters – Additional provider condition:

TITOs and receiving organisations are exempted from the over-duration, monthly over-enrolment, annual over-enrolment, and under-achievement offsets, in the year of transition. For 2022, the following TEOs are exempt from all ITF related offsets:

- 8103 The Skills Organisation
- 8105 Primary ITO
- 8129 Skills Active Aotearoa Limited
- 7018 Te Maho Ako Skills Active
- 8134 New Zealand Hair and Beauty ITO
- 8144 Community Support Services ITO (Careerforce)
- 9068 Service Skills Institute of New Zealand (Service IQ)
- 7321 St John
- 8199 Vertical Horizonz NZ
- 7502 Ignite Colleges
- 6661 Industry Connection for Excellence
- 7963 Strategi Institute
- 5997 Electrical Training Company

BCITO Carpentry exemption: Exemption of the 10-credit under-achievement offset (industry training funding related) for the **BCITO only** to the **New Zealand Certificate in Carpentry** for 2022.

Flexible funding: The following receiving organisations will be assessed as qualifying TEOs for the purposes of flexible funding using the receiving provider criteria outlined above:

- 7321 St John
- 8199 Vertical Horizonz NZ
- 7502 Ignite Colleges
- 6661 Industry Connection for Excellence
- 7963 Strategi Institute
- 5997 Electrical Training Company
- 7018 Te Maho Ako Skills Active

All transitioning ITOs had an EER of either 1 or 2, pending 2022 credit achievements.

Industry Training Fund (Direct Funding Scheme)

Purpose of the fund:

Industry training provides formal, structured employment-based training leading to qualifications, predominantly at Levels 1 to 4 on the NZQF. Industry training is a partnership between government and industry, and is provided to people in employment. It helps support the development of skills that meet industry needs.

The Industry Training Fund enables industry training organisations (ITOs) to:

- develop and maintain skill standards (unit standards and qualifications), and
- develop and maintain arrangements for delivering training.

It also supports industry training-related projects:

- to help organise vocational skills competitions, such as WorldSkills, and
- to assist ITOs to undertake joint ventures or mergers, support best practice or enhance their efficiency and effectiveness.

The Industry Training Fund is the Government's contribution to the cost of training. The balance of the full cost of training is met through contributions from employers, trainees and apprentices.

How we calculate your wash-up:

We will recover funding if you deliver less than 100% of your allocated Industry Training Fund funding. We will recover the difference between the total delivery (dollars) after offsets and 100% of allocated Industry Training Fund funding.

Recoveries are based on:

Data:	Your most recent actual delivery volume data measured by Standard Training Measures (STMs), submitted through the Industry Training Register (ITR) , as at the date the data is captured (31 March 2023) after we subtract the average-duration offset and the over-enrolment offset
Unit of Delivery:	Standard Training Measure (STM)
Rates:	We use the 2022 Industry Training Fund funding rates to calculate your actual delivery at a rate of Industry Trainees at \$3,165.00 per STM and NZ Apprenticeships at \$5,143.00 per STM

Delivery thresholds:

Over:	N/A
Under:	100%

Funding Determinations and Conditions

Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
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2022 Funding Mechanism for ITF (TEC website)	<ul style="list-style-type: none"> › Repayment of funding › Actual average duration offset › Monthly over-enrolment offset › Annual over-enrolment offset › Under-achievement offset <p>P. 64, sect. 15</p>	<p>Flexible Funding does not apply – providers are not “qualifying TEOs” (Flexible funding, pp. 56–57 of Funding Conditions Catalogue/Mechanism 2021)</p>
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Repayment of Industry Training Fund (Direct Funding Scheme) Funding *(per the 2022 Funding Conditions Catalogue/Mechanism)*

Conditions as for Industry Training Fund: [Further information on Standard Training Measures, offsets and learner counts](#)

Offsets:

The extent to which you have received funding from the Industry Training Fund that was greater than it should have been is calculated by applying conditions (i) to (iv), **in order**, with conditions (ii)–(iv) reducing the value of the delivery.

(i) If you do not arrange delivery of training during the Funding Period up to the dollar value for which you have been funded, we will recover the over-funding at the Fund level after calculating the separate over-/under-delivery for industry trainees and for apprentices which will offset each other.

(ii) The over-duration offset

Actual average duration offset:

If the actual average duration of a programme of training exceeds the nominal duration of a programme, the actual delivery will be reduced to the extent of the average duration, measured in Standard Training Measures (STMs).

(iii) The monthly over-enrolment offset and the annual over-enrolment offset

Monthly over-enrolment offset:

If an individual industry trainee or apprentice has been enrolled in more than 10 nominal credits in any calendar month, the actual delivery will be reduced to the extent of the monthly over-enrolment, measured in STMs.

Annual over-enrolment offset:

If an individual industry trainee or apprentice has been enrolled in more than 75 nominal credits over the calendar year, the actual delivery will be reduced to the extent of the annual over-enrolment, measured in STMs.

(iv) The under-achievement offset

Under-achievement offset:

If less than 80% of the industry trainees and apprentices achieve the minimum of 10 credits where their enrolments were eligible for funding for four months or more in the calendar year, we will deduct funding for each percentage point below 80% up to a maximum of 5% of the net funding.

Flexible funding:

For the 2021 provider, no additional funding is payable, flexible or otherwise, because the provider is not a “qualifying TEO”.

A TEO is a qualifying TEO if they:

- have a New Zealand Qualifications Authority (NZQA) External Evaluation and Review (EER) rating of Category 1 or 2 (except for Te Pūkenga); and
- have a credit achievement rate of 70% or higher for apprenticeships in the calendar year; and
- the total delivery (dollars) after offsets as measured in dollars (as determined by us) is greater than the approved funding allocation.



Learner Fees Funding

Fees Free

Purpose of the fund:

The purpose of Fees Free tertiary education is to assist in making tertiary education more affordable and accessible, for eligible learners, by:

- funding the equivalent of one year's full-time of Fees Free provider-based education, or
- 24 months of industry training.

How we calculate your wash-up:

If you deliver less than 100% of your allocated Fees Free funding, we will recover the difference between the allocation and the total delivery (dollars), after TEC validation and allocation rules have been applied.

If you deliver more than 100% of your allocated Fees Free funding, we will pay the difference between the allocation and the total delivery (dollars), after TEC validation and allocation rules have been applied.

Recoveries are based on:

Data:	Your most recent actual delivery volume data measured by your Fees Free Multiple Providers and Cap Limit Report and/or your Fees Free Remittance
Unit of Delivery:	Learner
Rates:	As specified by the TEO in their Fees Free All Enrolments Cost Report and validated against STEO

Delivery thresholds:

Over:	No limit
Under:	100%

Funding Determinations and Conditions

Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
TTAF and Fees Free 2022 Updated Delegation for Fees Free	TTAF and Fees Free 2022 Funding Mechanism for FF and TTAF (TEC Fund Finder)	Massey University has a subset of learners who are exempt from GST

Repayment of Fees Free Funding (per the 2022 Funding Conditions Catalogue/Mechanism)

Recovery of funding: For Fees Free, validation and allocation rules are applied to the funding conditions. If you deliver less than 100% of your allocated Fees Free Payments funding, we will recover the difference between the allocation and the total delivery (dollars), after TEC validation and allocation rules have been applied.

If the "Fees Free All Enrolments and Costs" report (FF06) and/or the "Fees Free Programmes and Fees" report is not submitted, then this will be deemed to be zero delivery, and TEC will recover the full funding for the year.

Full payment for over-delivery: If a TEO's Fees Free delivery reported to the TEC is more than 100% of the TEO's allocation after TEC validation and allocation rules have been applied, we will pay the difference.

Data and payment timing: All Fees Free delivery is reported through Workspace 2, and the wash-ups will be calculated in March 2022, with recovery or payments occurring 1 April 2022. For industry training, Fees Free delivery is reported monthly through Workspace 2, and is paid retrospectively on actual delivery, so the wash-ups are unlikely to lead to any recoveries.

Funding cut-off: [Further information on the TTAF cut-off and funding](#)

Validation and allocation rules

The validation and allocation rules are calculated by the Fees Free team prior to delivery data being provided to Fund Management. Validations and allocation rules for SAC-funded TEOs are processed as follows:

1. TEOs submit “Fees Free All Enrolments and Costs” report (FF06).
2. Validation of the FF06 report against validation checks occurs.
3. Reconciliation occurs against the December 2022 SDR for valid enrolments.
4. Validation report (FF42) submitted to TEOs detailing the validation details against the FF06.
5. Allocation report submitted to TEOs, “Fees Free Multiple Providers and Cap Limit Report” (FF07), detailing by NSN the reported Fees, allocated fees and messaging occurs for any variance.

The validation is applied against the learner and course information submitted with further details outlined in the [Fees Free All Enrolment and Costs Return Guide 2022](#).

Validations and allocation rules for ITF-funded TEOs are processed as follows:

1. TEOs submit “Fees Free Programmes and Fees” report.
2. Validation of the report against validation checks occurs.
3. Reconciliation occurs against the 2022 ITR for valid enrolments.
4. Remittance report submitted to TEOs detailing by NSN the reported fees, allocated fees and messaging for any variance and validation errors.

The validation is applied against the learner and course information submitted with further details outlined in the [Fees Free Industry Training Monthly Reporting Guide](#).

Massey University GST exemption

Massey University will report a subset of learners who are GST exempt under a separate fund initiative (10189). The same validation and allocation rules above will be applied, however no GST will be applied when paying Massey University for delivery associated to these learners.

Targeted Training and Apprenticeship Fund (TTAF) – SAC3+ funded (excludes TEOs delivering ITF)

Purpose of the fund:

The Targeted Training and Apprenticeship Fund (TTAF) supports learners to undertake vocational education and training without fees.

TTAF makes a range of training and apprenticeship programmes at sub-degree level free for learners. It is targeted towards industry skill needs where demand from employers for these skills will continue to be strong, or is expected to grow, during New Zealand’s recovery period from the impacts of COVID-19.

How we calculate your wash-up:

If you deliver less than 100% of your allocated TTAF funding, we will recover the difference between the allocation and the total delivery (dollars), after TEC validation and allocation rules have been applied.

If you deliver more than 100% of your allocated Fees Free funding, we will pay the difference between the allocation and the total delivery (dollars), after TEC validation and allocation rules have been applied.

Recoveries are based on:	
Data:	Your most recent actual delivery volume data (at the course level), submitted through the December Single Data Return Your fees information contained in Services for Tertiary Education Organisations (STEO) . Your TTAF CSSF actuals reporting template via Workspace 2
Unit of Delivery:	Learner
Rates:	Dependent on course and learner data submitted and associated rates in STEO

Delivery thresholds:	
Over:	No limit
Under:	100%

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
TTAF and Fees Free 2022 Updated Delegation for Fees Free	TTAF and Fees Free 2022 Funding Mechanism for FF and TTAF (TEC Fund Finder)	Providers that receive SAC3+ and ITF funding will have their wash-up for all TTAF funded learners will be completed after the submission of the March 2022 ITR

Repayment of Targeted Training and Apprenticeship Fund Funding
<p>Recovery of funding: If you deliver less than 100% of your allocated TTAF funding, we will recover the difference between the allocation and the total delivery (dollars), after TEC validation and calculation rules have been applied. Data validations and calculations are completed via Data Warehouse processes.</p> <p>Full payment for over-delivery: We will pay for all over-delivery, without limit.</p> <p>Data and payment timing: Note that where a PTE is funded for TTAF for both SAC 3+ delivery and ITF-funded delivery, TTAF wash-ups will be determined after the submission of the March 2023 ITR.</p> <p>Funding cut-off: Further information on the TTAF cut-off and funding</p>
<p>Calculation steps (calculated by Fund Specialist via the Data Warehouse prior to delivery data being provided to Fund Management):</p> <p>Excluding the ITO sector, and including all payments “on hold”,</p> <ol style="list-style-type: none"> (i) Determine the final actual tuition and compulsory course costs fees payable by multiplying the number of eligible learners reported in the SDR by the fees contained in Services for Tertiary Education Organisations (STEO) (with the proviso that where we are aware that the fees that were being charged prior to the introduction of TTAF were less than the amount in STEO, we will use the amount being charged prior to the introduction of TTAF). (ii) Add any Compulsory Student Services Fees (CSSF) for TTAF eligible learners reported in the TTAF CSSF actuals reporting template via Workspace 2 and uploaded to the Data Warehouse. (iii) Where the value is greater than TTAF funding, a payment will result. Where the value is less, a recovery will result.

Providers that receive SAC3+ and ITF funding will have their wash-up for all TTAF funded learners completed after the submission of the March 2022 ITR

EDUMIS	TEO
5997	The Electrical Training Company Limited
6683	Te Pūkenga - New Zealand Institute of Skills and Technology
7321	St John New Zealand
7502	Ignite Colleges Limited
8199	Vertical Horizonz New Zealand Limited
9130	Skills4Work Limited

Targeted Training and Apprenticeship Fund (TTAF) – ITF-funded (includes TEOs delivering ITF)

Purpose of the fund:

The Targeted Training and Apprenticeship Fund (TTAF) supports learners to undertake vocational education and training without fees.

TTAF makes a range of training and apprenticeship programmes at sub-degree level free for learners. It is targeted towards industry skill needs where demand from employers for these skills will continue to be strong, or is expected to grow, during New Zealand’s recovery period from the impacts of COVID-19.

How we calculate your wash-up:

If you deliver less than 100% of your allocated TTAF funding, we will recover the difference between the allocation and the total delivery (dollars), after TEC validation and allocation rules have been applied.

If you deliver more than 100% of your allocated Fees Free funding, we will pay the difference between the allocation and the total delivery (dollars), after TEC validation and allocation rules have been applied.

Recoveries are based on:

Data:	Your most recent actual delivery volume data measured by Standard Training Measures (STMs), submitted through the Industry Training Register (ITR) , as at the date the data is captured (31 March 2023) after we subtract the average-duration offset and the over-enrolment offset Your fees information submitted in the TTAF Schedule of Fees
Unit of Delivery:	Learner
Rates:	Dependent on course and learner data submitted

Delivery thresholds:

Over:	No limit
Under:	100%

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
TTAF and Fees Free 2022 Updated Delegation for Fees Free	TTAF and Fees Free 2022 Funding Mechanism for FF and TTAF (TEC Fund Finder)	Providers that receive SAC3+ and ITF funding will have their wash-up for all TTAF-funded learners completed after the submission of the March 2022 ITR

Repayment of Targeted Training and Apprenticeship Fund Funding
<p>Recovery of funding: If you deliver less than 100% of your allocated TTAF funding, we will recover the difference between the allocation and the total delivery (dollars), after TEC validation and calculation rules have been applied. Data validations and calculations are completed via Data Warehouse processes.</p> <p>Full payment for over-delivery: We will pay for all over-delivery, without limit.</p> <p>Data and payment timing: Note that where a TEO is funded for TTAF for both SAC 3+ delivery and ITF funded delivery, TTAF wash-ups will be determined after the submission of the March 2023 ITR.</p> <p>Calculation steps (calculated by the Funds Specialist team prior to delivery data being provided to Fund Management)</p> <p>For Te Pūkenga and a small number of PTEs that receive TTAF and ITF funding, and including all payments “on hold”,</p> <ul style="list-style-type: none"> (i) For TEOs on the “Agreed Fees” approach, we will determine the actual 2022 delivery by multiplying the number of learners reported as either “Active” or “Grace” in eligible qualifications on the last day of each month from 1 January 2022 by the applicable monthly fee recorded in the Schedule of Fees. TTAF fees are also paid in the month of withdrawal or completion where the prior month status was either “Active” or “Grace”. (ii) For TEOs on the “Actual Reporting” approach, we will determine the actual 2022 delivery on the TTAF fees reported in the December 2022 TTAF report. Enrolments reported in this report will be validated against learners reported as either “Active” or “Grace” in eligible qualifications on the last day of any month from 1 January 2022. Fees reported will be validated against the fee types and amounts recorded in the Schedule of Fees. <p>Data validations are completed via Data Warehouse processes for both Agreed fee providers and for TTAF returns submitted by TEOs. The submission and validation of the TTAF returns submitted by those on “actual reporting” is overseen by the Relationship Support – Fees Free team in conjunction with the Funds Specialist team.</p>

TTAF reporting

TEOs reporting TTAF through the ITR	
EDUMIS	TEO
8103	Te Pūkenga Work Based Learning Trading as EarnLearn
8134	NZ Hair and Beauty ITO
9013	Te Pūkenga Work Based Learning Trading as MITO
9068	Service Skills Institute
8136	Te Pūkenga Work Based Learning Trading as Connexis
6661	Industry Connection for Excellence (ICE)
8199	Vertical Horizons New Zealand
7321	St John New Zealand
5997	The Electrical Training Company (ETCO) (TBC)

TEOs reporting TTAF through <u>Workspace 2</u> reports	
EDUMIS	TEO
6034	Marine and Specialised Technologies Academy of NZ
7741	Apprentice Training New Zealand 2010 Trust
8101	Te Pūkenga Work Based Learning Trading as BCITO
8104	Te Pūkenga Work Based Learning Trading as Competenz
8105	Primary Industry Training Organisation Incorporated
7018	Skills Active Te Mahi Ako Limited
8144	Community Support Services Industry Training Organisation Limited
9130	Skills4Work Incorporated

Providers that receive SAC3+ and ITF funding will have their wash-up for all TTAF-funded learners completed after the submission of the March 2022 ITR

EDUMIS	TEO
5997	The Electrical Training Company Limited
6683	Te Pūkenga – New Zealand Institute of Skills and Technology
7321	St John New Zealand
7502	Ignite Colleges Limited
8199	Vertical Horizonz New Zealand Limited
9130	Skills4Work Limited

The background is a solid teal color with a repeating pattern of stylized, geometric snowflakes. Each snowflake is composed of multiple layers of sharp, triangular points radiating from a central point, creating a complex, crystalline structure. The snowflakes are arranged in a staggered grid pattern across the page.

Other Funds

Secondary Tertiary Interface – Trades Academy

Purpose of the fund:

Trades Academies funding supports trades and technology programmes for senior secondary school students to provide a transition between school and tertiary education.

Trades Academies are partnerships between schools, tertiary education organisations (TEOs) and employers. They aim to keep young New Zealanders engaged in education and training by creating a clear path between school and further education, training or employment. Closer alignment of schools, the tertiary education sector and industry helps to make the future workforce more responsive to local and national business and economic needs.

There are 10 Trades Academies across nine institutes of technology and polytechnics (ITPs) within Te Pūkenga. The Primary ITO and National Trade Academy Limited also receive Trades Academies funding.

How we calculate your wash-up:

We will recover Secondary Tertiary Interface (STI) funding separately for each of the components. If you deliver less than 100% of your allocated STI funding against each STI component, we will recover the difference between the dollar value of actual delivery for each component and 100% of allocated funding for each component for that Trades Academy.

Recoveries are based on:	
Data:	Manual data reported by TEOs collected by the Ministry of Education (MoE). We use the Secondary-Tertiary Programme (STP) name in MoE's data as the identity code to separate recoveries for providers who are lead providers for more than one Trades Academy.
Unit of Delivery:	Learners (Pastoral Care & Coordination); Learners pro rata (General Teaching & Learning); Learners pro rata (Trades Top-Up)
Rates:	We use the 2022 Secondary Tertiary Interface Trades Academy funding rates to calculate your actual delivery at a rate of Pastoral Care & Coordination at \$1,270.00 per learner , General Teaching & Learning at \$9,800.00 per learner (pro-rata) and Trades Top-Up at \$3,610.00 per learner (Trades pro-rata) .

Delivery thresholds:	
Over:	N/A
Under:	100%

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
Final Cabinet Paper on Trades Academy Funding, Service Academies and ERO reviews for National Standards	<ul style="list-style-type: none"> › Repayment of funding › Recovery for TEO-led Trades Academies only › Separation of components for recovery › No payment for over-delivery › Pastoral care and coordination › Multi-academy lead providers 	Secondary component controlled by MoE

Repayment of Trades Academy Funding (per the 2022 Funding Conditions Catalogue/Mechanism)

Repayment of Funding: If the Institute fails to deliver to the specified volume of students set out in Schedule D (of the individual contract), the Commission has the right to recover funding. Recovery of 2021 funding will be on the basis of the difference between the maximum number of students approved to be on the programme in Schedule D and the maximum number of students on the programme reported through the MoE data.

Separation of components for recovery: All three components (“pastoral care and coordination”, “general teaching and learning”, and “trades top-up”) will be treated *separately*, and over-delivery in one component will not compensate for under-delivery elsewhere.

Recovery for TEO-led Trades Academies only: A Trades Academy can be led by a school or by a TEO. For a TEO-led Trades Academy, if you deliver less than 100% of your allocated Secondary Tertiary Interface (STI) funding against any STI component, we will recover the difference between 100% of allocated funding for the component and the dollar value of actual delivery for that component.

Multi-academy lead providers: We will recover STI funding separately for each TEO-led Trades Academy. We use the Secondary-Tertiary Programme (STP) name in the Ministry of Education’s data as the identity code to separate recoveries for providers who are lead providers for more than one Trades Academy.

Te Pūkenga: For Te Pūkenga, all wash-ups where the Trades Academy is run by a subsidiary within Te Pūkenga will be aggregated up (with components remaining separate) to the Te Pūkenga level.

No payment for over-delivery: There will be no payment for over-delivery.

Secondary Tertiary Interface – Trades Academy Components

Pastoral care and coordination: Pastoral care and coordination funding are paid to the TEO lead Trades Academy once per learner and where delivery has occurred to that learner at the 2022 rate of **\$1,270**. We will recover if delivery was less than the allocation in this component.

General teaching and learning actual delivery: To calculate the actual delivery for General Teaching and Learning, we use the specified 2022 rate of **\$9,800**, multiplied by the Tertiary Component Full Time Equivalent (FTE) for each NSN, as from the manual data collated by MoE.

If the delivery exceeds what is allocated, no additional funding will be provided. We will recover if delivery was less than the allocation in this component.

Trades Top-Up actual delivery: To calculate the actual delivery for Trades Top-Up, we use the specified 2022 rate of **\$3,610**, multiplied by the Tertiary FTE for each NSN who has been marked as “Trades” delivery as from the manual data collated by MoE. If the delivery exceeds what is allocated, no additional funding will be provided. We will recover if delivery was less than the allocation in this component.

Medical Trainee Intern Grant

Purpose of the fund:

Medical Trainee Intern Grants are paid to the University of Otago and the University of Auckland to provide a stipend for domestic medical students working as interns as part of their sixth year of study.

How we calculate your wash-up:

We will recover funding if you deliver less than 100% of your allocated Medical Trainee Intern funding. We will recover the difference between the total delivery (dollars) and 100% of allocated Medical Trainee Intern funding.

If you deliver more than 100% of your estimated Medical Trainee Intern allocated funding we will pay the difference between 100% of the allocated Medical Trainee Intern funding and the amount actually delivered.

Recoveries are based on:	
Data:	Your submitted Medical Trainee Intern Statement of Service Performance report , which must include the number of students funded, and amount of funding consumed for the reporting year/s Workspace 2
Unit of Delivery:	Equivalent Full-Time Student (EFTS)
Rates:	Each grant is \$26,756 (GST exempt) per student per 12 months internship

Delivery thresholds:	
Over:	No limit
Under:	100%

Funding Determinations and Conditions		
Delegation/Determination	Funding Conditions Catalogue or other ref.	2022 exceptions
2016 MTIG Funding Mechanism (TEC website) Paras 17, 18 (p. 4)	<ul style="list-style-type: none"> › Repayment of funding › Full payment for over-delivery 	

Repayment of Medical Trainee Intern Grant Funding
<p>Repayment of Funding: If you receive funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that: (i) is repayable on demand; and (ii) may be set-off against all or any funding, or any sum of money payable by us to you.</p> <p>Full payment for over-delivery: We will pay for all over-delivery, without limit.</p>