



**Tertiary Education
Commission**
Te Amorangi Mātauranga Matua



Gateway Fund

2021 Funding Conditions Catalogue



Introduction

About the Gateway fund

Gateway is a fund provided to secondary schools to enable students to access structured workplace learning. The fund 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 credits achieved in a workplace setting count toward their achievement of National Certificate of Educational Achievement (NCEA).

The TEC provides Gateway funding so schools can meet the costs of arranging and managing workplace learning for enrolled students, including workplace assessment.

The allocation and use of Gateway funding

The Gateway funding mechanism is issued by the Minister of Education. The funding mechanism provides the mandate for us to allocate the funding, sets out what the funding can be used for and details how we administer the fund.

Gateway funding is approved Off-Plan via a funding confirmation letter. If you receive Gateway funding, you are required to comply with the conditions specified in this catalogue.

How to use this catalogue

The Gateway funding conditions catalogue is broken down into two main parts:

- » base funding conditions – general TEC conditions of funding
- » fund-specific conditions – these conditions relate to Gateway eligibility, reporting and payment.

You can navigate the catalogue by going to the Contents page and jumping to the section you want. Or, you can download and open the catalogue in a PDF reader and use the Bookmarks side panel to select a section.

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Base Funding Conditions

Introduction

- A. This section sets out the Conditions that apply to every Fund for which you receive Funding.
- B. In addition to the Conditions set out in this section, the following Conditions apply to your Funding:
 - (a) Fund-specific Conditions, which are set out in this Funding Conditions Catalogue; and
 - (b) Organisation-specific Conditions, which are set out in Appendix 2 of your Funding Confirmation Letter.

1. Conditions in the Education Act

- 1.1 Sections 426 and 429 of the Education and Training Act (as applicable) set out a number of statutory conditions that apply to your organisation's receipt of funding. Those conditions relate to the supply of financial, statistical or other information to us or the Ministry of Education from time to time, as required.

2. Conditions that apply to all Funding

2.1 Supply of information

- (a) You must supply to us information relating to your financial viability, if we notify you that we require that information, within the time period specified in the notice.
- (b) You must supply to us information about your subcontracting arrangements when we request that information, within the time period specified in the notice.
- (c) You must notify us at least 28 days before, or as soon as practicable if it is not possible for you to notify us at least 28 days before:
 - (i) you have a Change of Control (see definition below);
 - (ii) you transfer (or agree to transfer) all of or a material part of your assets to a third party;
 - (iii) you merge with or acquire any other entity or business; or
 - (iv) there is any change to the persons who make up your governing body.
- (d) You must notify us immediately if:
 - (i) any record required to be kept under clause 13(1), Schedule 18 (for On-Plan Funding) or clause 25(1), Schedule 18 (for Off-Plan Funding) of the Education and Training Act has been lost or damaged;
 - (ii) you are no longer able to comply with a Condition;
 - (iii) your New Zealand Qualifications Authority (NZQA) registration or accreditation is cancelled (relevant if you are a private training establishment [PTE]);
 - (iv) you have an Insolvency Event (see definition below);
 - (v) you have changed your name (if you are Te Pūkenga, you must also inform us if any Te Pūkenga subsidiary has changed its name); or
 - (vi) the location or locations at which you deliver a course or courses has changed. If you are Te Pūkenga, you must also inform us if the location or locations at which any Te Pūkenga subsidiary delivers a course or courses has changed.

- (e) If you are a tertiary education institution (TEI), you must give us copies of your audit management letter from the Office of the Auditor General within 5 working days of receiving it.
- (f) If you are Te Pūkenga, you must:
 - (i) give us (or an organisation specified by us) monthly financial information that relates to each Te Pūkenga subsidiary:
 - A. in a format agreed by us; and
 - B. no later than 5pm on the last day of the month following the month to which the information relates; and
 - (ii) if requested by us, give us full copies of the papers from each Te Pūkenga subsidiary board meeting no later than 5 working days after the meeting has taken place (or as otherwise agreed by us).

Definitions used in this paragraph 2.1

Insolvency Event means, in relation to you, the occurrence of any of the following events:

- (A) any step taken in or toward the making of any compromise, proposal or deed of arrangement with all or some of your creditors;
- (B) the appointment of a liquidator, provisional liquidator, receiver, receiver and manager, voluntary administrator, statutory manager or similar official in respect of you or the whole or part of your assets;
- (C) the suspension or threatened suspension of the payment of your debts;
- (D) you cease or threaten to cease to carry on all or any material part of your business or operations;
- (E) a distress, attachment or other execution is levied or enforced upon, or commenced against, any of your assets and is not discharged or stayed within 10 business days, except, in each case, when we are satisfied that that you are contesting the same in good faith by appropriate proceedings;
- (F) cessation of your business in New Zealand; or
- (G) any other insolvency event or proceedings analogous to any of the foregoing occurring in any relevant jurisdiction.

Change of Control means, in relation to a person (the “first person”), when a person acquires Control of the first person or when a person who controls the first person ceases to do so; and

Control means, in relation to a person (the “first person”), the ability of another person (the “second person”) to ensure that the activities and business of the first person are conducted in accordance with the wishes of the second person, whether through ownership of voting shares, contract or otherwise. Without limitation, the direct or indirect beneficial ownership of more than 50% of the voting rights in a body corporate is deemed to constitute Control.

2.2 Financial viability assessment

This Condition applies to you if you are a PTE or a community education provider (CEP).

- (a) You must participate in a financial viability assessment when we ask you to do so.
- (b) If your organisation is assessed by us as being high risk, you must provide us with a financial viability plan that we consider acceptable, by the date we specify.
- (c) A financial viability action plan must state how you will meet the set of minimum financial prudential standards specified by us.
- (d) You must comply with the financial viability action plan during the Funding Period.

2.3 Source and use of funding

- (a) You must:
 - (i) not seek or obtain any funding from any Crown source other than us to fund a programme or training scheme that is delivered using the Funding (without our prior written consent); and
 - (ii) notify us immediately if you become aware of any circumstances that might result in a breach of subparagraph (i) of this Condition.
- (b) You must only use the Funding:
 - (i) lawfully, responsibly, and for the purposes for which the Funding is provided; and
 - (ii) in a manner consistent with the appropriate use of public funds.

2.4 Organisation to make information available to us and our appointed representative for the purpose of monitoring

- (a) You must give us (and any representative acting on our behalf) reasonable access to information needed by us to undertake our review and monitoring functions.
- (b) By accepting the Funding, you authorise us and our appointed representatives to have access to your premises and any premises where your records are kept for the purpose of enabling monitoring and review activities to be undertaken at those premises.

3. Conditions that apply to all Funding if you are a wānanga, PTE, transitional Industry Training Organisation (ITO) or Te Pūkenga

3.1 External Evaluation and Review status

- (a) If you are a wānanga, PTE or transitional ITO you must, or if you are Te Pūkenga each Te Pūkenga subsidiary must, continue to have a:
 - (i) Category 1, 2 or 3 status in the most recently published full NZQA External Evaluation and Review (EER) report (EER report); or
 - (ii) Category 4 status in the most recently published full EER report, and:
 - A. have received Category 3 status or better in the full EER report that was published immediately prior to the most recently published full EER report; and
 - B. have addressed the issues identified by the NZQA within 12 months following the publication of the full EER report in which you received a Category 4 status.

3.2 Appointment of independent organisation to assess and moderate learning

If the NZQA withdraws or suspends your right to assess and moderate students' learning in accordance with its Quality Assurance (including EER) Rules 2016, you must, in conjunction with NZQA, identify and appoint an independent organisation that has appropriate consent to assess and moderate the learning of the students enrolled at your organisation.

3.3 Expired dates for qualifications

- (a) You must not deliver any qualification beyond the expiry date for the qualification as determined by the NZQA.
- (b) Once the NZQA assigns an expiry date to a qualification, we will:
 - (i) not fund any new students that you enrol in a programme leading to the qualification after the last date for entry for that qualification as determined by the NZQA; and
 - (ii) continue to fund students who are already enrolled in a programme leading to the qualification, provided that all the other Conditions are met.

Base Funding Information

1. Payment of Funding

- 1.1 We will provide you with the Funding specified in your Funding Confirmation Letter in respect of the Funding Period subject to:
 - (a) your compliance with the Conditions that apply to your Funding;
 - (b) our rights to suspend, revoke or withdraw the Funding as set out in the Education and Training Act;
 - (c) the relevant Funding Mechanisms continuing in effect; and
 - (d) the Government continuing to appropriate sufficient funding for the relevant Fund.
- 1.2 To ensure accountability for public money, we will:
 - (a) monitor your enrolment data and, if you are tracking below funded volumes, we may implement a reduced payments schedule following withdrawing, suspending or revoking some of your funding under clauses 16 or 26 of Schedule 18 of the Education and Training Act (whichever is applicable), or, if applicable, require you to amend your Investment Plan after following the process set out in clause 22, Schedule 18 of the Education and Training Act; or
 - (b) recover funding for under-delivery of the programmes and activities described in your Investment Plan or Application for Funding, in accordance with the Conditions.
- 1.3 The amounts specified in Funding Confirmation Letter are in New Zealand dollars and exclude GST. We will pay you the Funding plus GST, if applicable.
- 1.4 Your Funding Confirmation Letter sets out the entire understanding between you and us in relation to the Funding to be provided by us to you for the Funding Period. The Funding Confirmation Letter supersedes all prior verbal or written communication relating to the provision of funding to be provided by us to you for the Funding Period (including all earlier communication in respect of the approval of funding made by the Chief Executive of the TEC or any other TEC official).
- 1.5 Subject to our future approval, we intend to provide you with the Indicative Funding specified in the Key Particulars (if any).

2. Variations

- 2.1 In relation to your Investment Plan, you must contact us in the following circumstances if you:
 - (a) think your Investment Plan may need to be amended; and/or
 - (b) wish to vary delivery from that specified in your Investment Plan.

Clauses 20 to 23 of Schedule 18 of the Education and Training Act apply where we or you seek a significant amendment to your Investment Plan.
- 2.2 In relation to your Application for Funding, you should contact us in the following circumstances if you:
 - (a) think the Minimum Requirements may need to be amended; or
 - (b) wish to vary delivery from that specified in the Minimum Requirements.

3. Communication and relationship management

- 3.1 Regular contact will be maintained for the purpose of:
- (a) us monitoring your performance against the Performance Commitments set out in your Investment Plan and/or the Minimum Requirements (as applicable);
 - (b) encouraging the ongoing review and assessment of your effectiveness;
 - (c) providing constructive feedback that will enhance the effectiveness of your performance; and
 - (d) identifying early any issues and opportunities for you to improve.
- 3.2 If you expect that you will not meet the Performance Commitments set out in your Investment Plan and/or the Minimum Requirements (as applicable), or that you will not comply with a Condition, you must advise us in writing as soon as possible.

4. Record-keeping and reporting

- 4.1 In addition to any specific record-keeping and reporting obligations as described in the Conditions, you must comply with your record-keeping and reporting obligations as set out in (as applicable):
- (a) clause 13, Schedule 18 of the Education and Training Act (in relation to On-Plan Funding); and/or
 - (b) clause 25, Schedule 18 of the Education and Training Act (in relation to Off-Plan Funding).
- 4.2 The records that you are required to keep must, for example, fully and fairly show for the period to which the Funding relates whether the Conditions on which funding approval was given have been complied with.

5. TEC monitoring activities

- 5.1 We will monitor your performance against:
- (a) your compliance with the Conditions;
 - (b) the Performance Commitments in your Investment Plan; and
 - (c) your delivery against the Minimum Requirements (as applicable).
- 5.2 We will also monitor your performance against:
- (a) any initiatives implemented to reduce low-performing provision;
 - (b) the agreed objectives for any TEC-funded projects; and/or
 - (c) the change expectations for you as agreed by us.
- 5.3 If we consider that there are persistent quality issues with the data you submit to us, we may require that the accuracy of your data is validated by a third party.
- 5.4 Your performance against the Conditions, the Performance Commitments in your Investment Plan and the Minimum Requirements (as applicable) will also be considered when making future funding decisions.

6. Suspension, revocation or withdrawal of Funding

We may suspend, revoke or withdraw some or all of the Funding provided under this Funding Confirmation in accordance with:

- (a) clause 16, Schedule 18 of the Education and Training Act (in respect of On-Plan Funding), in which case clauses 17 to 19 of Schedule 18 of the Education and Training Act also apply; or
- (b) clause 26, Schedule 18 of the Education and Training Act (in respect of Off-Plan Funding), in which case clauses 27 to 28 of Schedule 18 of the Education and Training Act also apply.

For example, we may suspend or revoke your Funding if we are satisfied on reasonable grounds that:

- (a) you have not complied, or are not complying with, a Condition on which Funding has been given;
- (b) if the Funding is On-Plan Funding, when measured against performance indicators, you have not achieved, or are not achieving, an outcome anticipated in your Investment Plan for a tertiary education programme or activity to which Funding has been given; or
- (c) you have not provided, or are not providing, adequate and timely information required by us or the Ministry of Education.

7. Investment Plan summaries

- 7.1 If you have not been granted an exemption under clause 9, Schedule 18 of the Education and Training Act from the requirement to provide an Investment Plan, you must ensure that a plan summary is available for inspection by the public and that complies with clause 24, Schedule 18 of the Education and Training Act. The simplest way to do this is to make the information public online. We recommend that your Investment Plan summary is published alongside your other accountability documents.
- 7.2 The requirements for what an Investment Plan summary must include are specified in the *Gazette Notice: Education (Proposed Investment Plans: Requirements, Content, Submission and Assessment; and Plan Summaries) Notice 2019*, and in clause 24, Schedule 18 of the Education and Training Act.

8. No guarantee of further funding

Funding approval does not mean that we:

- (a) approve any funding other than that specified in the Funding Confirmation Letter. This includes any Indicative Funding which requires a further approval to be made by us before such funding can be considered to be “approved”;
- (b) agree with every statement in your Investment Plan or Application for Funding; or
- (c) will fund you in the future.

Gateway

Purpose of Fund

The purpose of funding Gateway provision is to enable state and state-integrated New Zealand secondary schools to give senior students opportunities to access quality structured workplace learning that is integrated with school-based learning.

Students have their learning assessed in the workplace and can achieve credits, which may align to one or more Vocational Pathways, towards qualifications on the New Zealand Qualifications Framework (NZQF) – particularly at Level 1 or 2 – or the National Certificate of Educational Achievement (NCEA).

The following Conditions apply, under section 429 of the Education and Training Act, to the Gateway Fund Funding that you receive for the Funding Period, in addition to the Base Funding Conditions set out in this Funding Conditions Catalogue, and the Conditions in the Education and Training Act.

1. Organisation eligibility

You must continue to be:

- (a) a state or state-integrated secondary school; and
- (b) quality assured by the Education Review Office.

2. Student eligibility

You must ensure that Gateway Fund Funding is only used in respect of eligible students, each of whom is enrolled in an eligible programme and meets and continues to meet the eligibility criteria for being an eligible student. An “eligible student” is a student who is:

- (a) a Domestic Student; and
- (b) enrolled at a state or state-integrated secondary school; and
- (c) year 11 or above.

3. Programme eligibility

You must ensure that the Gateway Fund Funding is only used for a programme of study or training that meets and continues to meet the eligibility criteria for eligible programmes. An “eligible programme” is a programme which:

- (a) has credits that contribute to the award of the NCEA and/or a qualification on the NZQF; and
- (b) allows each eligible student to participate in structured workplace learning, including the assessment and recognition of that learning in the form of credits (towards the NCEA and/or a qualification on the NZQF); and
- (c) integrates workplace learning with each eligible student’s wider course of study.

4. Your responsibilities

You must:

- (a) only use Gateway Fund Funding to support eligible students undertaking eligible programmes; and
- (b) not use Gateway Fund Funding to fund:
 - (i) the cost of school space; or

- (ii) school office or administrative services other than services specifically for Gateway provision; and
- (c) not charge a tuition fee, or course or equipment costs, to an eligible student for their eligible programme of study or training; and
- (d) ensure that each eligible student has the equipment necessary for their work placement, including tools, equipment, safety clothing and tuition material; and
- (e) comply with all administrative requirements specified by us, including reporting requirements specified in the TEC Gateway Handbook; and
- (f) take all reasonable and practicable steps to ensure that each eligible student will be safe in their work placement; and
- (g) monitor the safety of each eligible student in their work placement; and
- (h) ensure that each employer is aware of its employer obligations and that the workplace is appropriate for structured workplace learning; and
- (i) ensure that each eligible student is aware of their obligations as an employee; and
- (j) meet minimum performance standards specified by us.

5. Access to and supply of information

You must:

- (a) provide us with access to your premises, employees and information for the purposes of:
 - (i) inspecting the records that you must keep; and
 - (ii) auditing your compliance of the Conditions and requirements in the Education and Training Act; and
- (b) supply to us information about each eligible student in accordance with the reporting requirements specified in the TEC Gateway Handbook available on our website; and
- (c) ensure that each eligible student's credit achievement information is submitted to the New Zealand Qualifications Authority.

6. Repayment of Gateway Fund Funding

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:

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

7. Suspension, revocation or withdrawal of Gateway Fund Funding

If we suspend, revoke or withdraw some or all of your Gateway Fund Funding under clause 26, Schedule 18 of the Education and Training Act before some or all of that Funding has been used or contractually committed towards the purposes for which the funding was provided, you must treat the unexpended or uncommitted portion of the funding as a debt due to the Crown that is:

- (a) repayable on demand; and
- (b) may be set-off against all or any funding, or any sum payable by us to you.

Definitions

In this Conditions Catalogue, unless the context otherwise requires:

Application for Funding means the documents submitted by you in relation to Off-Plan Funding or, if you are exempt under clause 9, Schedule 18 of the Education and Training Act from the requirement to provide an Investment Plan, the documents submitted by you in relation to On-Plan Funding;

CEP means a Community Education Provider not quality assured by NZQA;

Conditions means the funding conditions that apply to your Funding, including any statutory funding conditions set out in the Education and Training Act;

CUAP means the New Zealand Vice-Chancellor's Committee on University Academic Programmes;

Domestic Student means a domestic student as defined in section 10 of the Education and Training Act;

Education and Training Act means the Education and Training Act 2020;

EFTS means equivalent full-time student;

ESOL means English for Speakers of Other Languages;

Fund means any fund established by the Minister pursuant to a Funding Mechanism;

Funding means any funding provided by us to you in accordance with your Funding Confirmation Letter, subject to your compliance with the Conditions, and, if applicable, achieving the outcomes anticipated in your plan;

Funding Confirmation Letter means the letter we send you that outlines the Funding we will give you, TEO-specific conditions imposed on your Funding, and Minimum Requirements;

Funding Mechanism means a funding mechanism determined by the Minister pursuant to section 419 of the Education and Training Act;

Funding Period means the relevant funding period for each Fund as set out in Appendix 1 of your Funding Confirmation Letter;

GST means tax charged under the Goods and Services Tax Act 1985;

Indicative Funding, Indicative On-Plan Funding and Indicative Off-Plan Funding means funding outlined in the Key Particulars that we intend to pay you in subsequent years, subject to future separate approval by us;

Investment Plan means a plan submitted by you pursuant to clause 8, Schedule 18 of the Education and Training Act that has been prepared and assessed in accordance with the requirements set out in clauses 4 to 6 and 10 to 12, Schedule 18 and sections 424 and 425 of the Education and Training Act;

ITO means a body corporate for the time being recognised under section 5 or section 8(1) of the Industry Training and Apprenticeships Act 1992;

Key Particulars means the 'Key Particulars' table in a Funding Confirmation Letter;

Minimum Requirements means the minimum requirements set out in Appendices 1 and 2 of your Funding Confirmation Letter, and any other performance commitments specified in your Application for Funding, or Investment Plan;

NSN means National Student Number;

NZQA means the New Zealand Qualifications Authority;

NZQF means the New Zealand Qualifications Framework;

NZVCC means the New Zealand Vice-Chancellors' Committee;

Off-Plan Funding or Off-Plan Funds means, respectively, funding paid by us to you under section 428 of the Education and Training Act, or from a Fund to which section 428 of the Education and Training Act applies;

On-Plan Funding or On-Plan Funds means, respectively, funding paid by us to you pursuant section 425 of the Education and Training Act, or from a Fund to which section 425 of the Education and Training Act applies;

Organisation means the Organisation to which a Funding Confirmation Letter is addressed, and “you” and “your” refer to the Organisation;

Performance Commitments means the performance commitments as outlined in your Investment Plan or Application for Funding. For the avoidance of doubt, if you have been exempted from providing an Investment Plan, this means all Minimum Requirements as outlined in Appendices 1 and 2 of your Funding Confirmation Letter;

PTE means a private training establishment, being an establishment, other than an institution as defined by section 10 of the Education and Training Act, that provides post-school education or training, including vocational education and training;

REAP provider means a rural education activities programme provider;

SDR means the Single Data Return, which is the set of data items that are specifically required by the Ministry of Education and TEC for funding, monitoring performance, publishing performance information, as well as statistical reporting purposes;

SDR Manual means the manual for TEOs and Student Management System Developers setting out the specifications of the Ministry of Education and TEC data requirements for the Single Data Returns for each academic year;

Te Pūkenga means Te Pūkenga – New Zealand Institute of Skills and Technology continued by section 314 of the Education and Training Act. A reference to Te Pūkenga includes a Te Pūkenga subsidiary;

Te Pūkenga subsidiary means a Crown entity subsidiary of Te Pūkenga;

TEC means the Tertiary Education Commission, and all references to “we, “our” and “us” are to TEC;

TEI means an institution as defined in section 10 of the Education and Training Act;

TEO means a tertiary education organisation as defined in section 10 of the Education and Training Act;

University means a university as defined in section 10 of the Education and Training Act;

Wānanga means a wānanga as defined in section 10 of the Education and Training Act; and

Withdrawal A “withdrawal” is when a student ceases to participate in a course, programme or training scheme (regardless of whether they have been refunded any fees), either by providing notice to the TEO that they wish to withdraw from participation, study and/or enrolment, or as a result of non-attendance or non-participation for any reason. Withdraw and Withdrawn have corresponding meanings.

Interpretation

Unless the context otherwise requires:

- (a) headings are not to be used for interpretation;
- (b) the singular includes the plural and vice versa;
- (c) a reference to any legislation or policy includes a modification of that legislation or policy or, in the case of legislation, legislation enacted in substitution for that legislation and a regulation, order-in-council and other instrument from time to time issued or made under that legislation;
- (d) a reference to an Appendix is a reference to an appendix to the Funding Confirmation Letter;
- (e) a reference to a Schedule or Attachment is a reference to a schedule or attachment (as applicable) to the Funding Confirmation Letter;
- (f) whenever the words 'includes' or 'including' are used in a Condition, or in the Funding Confirmation Letter, they are deemed to be followed by the words "without limitation"; and
- (g) if there is any conflict between the terms of the Funding Confirmation Letter and the Conditions Catalogue, and any other documents, including your Investment Plan or Application for Funding, the terms of the Funding Confirmation Letter and the Conditions Catalogue will prevail.

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