

## Appendix One

### Targeted Training and Apprenticeships Fund Funding Agreement

#### Purpose of fees-free targeted training and apprenticeships fund

1. The purpose of the Targeted Training and Apprenticeships Fund (**TTAF**), which took effect from 1 July 2020, is to support New Zealand's economic recovery by making targeted areas of vocational education and training at sub-degree level fees-free until 31 December 2022. This is in response to the impact of COVID-19 on the labour market and industry skill needs.
2. The aims of the TTAF are to:
  - (a) support all apprentices to continue their training and support employers to continue to invest in skills development for their apprentices during the economic difficulties and uncertainty caused by COVID-19;
  - (b) make programmes free for learners in targeted areas, to support particular industry skill needs where demand from employers will continue (including within the community services sector), or be part of the economic recovery; and
  - (c) support and encourage people of all ages to undertake targeted vocational education and training programmes within TTAF to encourage people of all ages into areas of study or training that will give them better employment prospects as New Zealand recovers from the impact of COVID-19.

#### Terms of agreement

3. We are pleased to confirm the payments that the Tertiary Education Commission (**we/us**) will make to [Receiving PTE] (**you**) from 1 January 2022 for targeted training and apprenticeships that are funded through:
  - (a) the Student Achievement Component (**SAC**) Level 3 and above on the New Zealand Qualifications Framework (**NZQF**) Fund; or
  - (b) the Industry Training Fund (**ITF**).
4. This agreement sets out the terms and conditions on which we will make payments to you, as follows:

- (a) for the terms and conditions that apply to payments we make to you to compensate you for the fees that you are required under the conditions imposed on your **SAC Level 3 and above on the NZQF Fund** funding, not to collect from students we have determined to be eligible for fees-free targeted training and apprenticeships (**eligible students**), whose study or training is funded under the SAC Level 3 and above Fund, please refer to Schedule One; and
  - (b) for the terms and conditions that apply to payments we make to you to compensate you for the fees that you are required under the conditions imposed on your **ITF** funding, not to collect from apprentices and trainees we have determined to be eligible for fees-free targeted training and apprenticeships (**eligible apprentices or trainees**) whose study or training is funded under the ITF, please refer to Schedule Two.
- 5. You can view your 2022 TTAf allocation on Ngā Kete, under 'My Allocations and Payments'.
- 6. In consideration of us agreeing to pay you fees to compensate you for fees forgone from eligible students, apprentices, or trainees, you agree to the terms and conditions set out in this agreement.
- 7. Payments made to you, as set out in this agreement, are compensation for fees that you are prohibited from charging eligible students, apprentices, or trainees. They are not made on behalf of eligible students, apprentices, or trainees, and are not repayable to any student, apprentice, or trainee who withdraws from an eligible programme or qualification. Accordingly, you are not required, and agree not to pay any amount paid to you under these terms and conditions to an independent trustee under section 356 of the Education and Training Act 2020.
- 8. Please confirm your acceptance of these terms and conditions by:
  - (a) signing a copy of this letter under the heading 'Acceptance of all of the terms and conditions of payment' above; and
  - (b) initialling each page, and uploading the signed copy to Workspace 2 on or before **17 December 2021**.
- 9. We will make the first payment to you in January 2022, or no later than 10 working days following receipt of your acceptance (whichever is later).
- 10. This agreement applies from 1 January 2022 to 31 December 2022.

## **Schedule One: Conditions applying to fee payments to [PTE name] for targeted training and apprenticeships funded through the SAC level 3 and above on the New Zealand Qualifications Framework Fund**

### **Process**

#### *Determining eligibility of programme or qualification*

1. An eligible programme or qualification is a programme or qualification that:
  - (a) is described in clauses 2 and 3;<sup>1</sup> and
  - (b) is delivered in accordance with clause 8.
2. A programme or qualification will be eligible for fee support through the TTAF if it is one of the following:
  - (a) a managed apprenticeship that:
    - (i) is funded under the SAC Level 3 and above on the NZQF Fund; and
    - (ii) meets the managed apprenticeship definition in the Single Data Return Manual; and
    - (iii) is a sub-degree programme; and
    - (iv) was delivered and reported as Managed Apprenticeships delivery in the Single Data Return before 1 June 2020 by you, or has been determined by the TEC to be an eligible programme; and
    - (v) is not otherwise excluded from being an eligible programme.
  - (b) a programme or qualification that is funded through the SAC Level 3 and above on the NZQF Fund and is:
    - (i) one of the following types of qualifications or programmes:
      - (1) New Zealand Certificates and National Certificates at levels 3 to 6 on the NZQF:
      - (2) New Zealand Diplomas and National Diplomas at levels 5 to 7 on the NZQF:
      - (3) microcredentials; and

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<sup>1</sup> For the avoidance of doubt, any references to clauses are to clauses of this Schedule (Schedule One).

- (ii) in a target industry area (see clause 3); and
  - (iii) a sub-degree qualification or programme; and
  - (iv) at level 3-7 on the NZQF; and
  - (v) not a managed apprenticeship; and
  - (vi) not otherwise excluded from being an eligible programme.
- (c) study or training, that is funded through the SAC Level 3 and above on the NZQF Fund, and that is not a programme or qualification that is described in subclause (a) or (b), where:
- (i) the study or training is within a target industry area (see clause 3); and
  - (ii) the study or training is one of the of the following:
    - (1) a training scheme;
    - (2) a TEO-specific qualification;
    - (3) a short credit programme;
    - (4) any other programme funded through the SAC Level 3 and above on the NZQF fund; and
  - (iii) we have determined that the training or study is an eligible programme or qualification. This discretion will be exercised to achieve the aims of the TTAF.

3. For the purposes of clause 2, there are two target industry area lists, which are as follows:

- (a) the initial target area list from July 2020:
  - (i) Primary industries, including agriculture, horticulture and viticulture, fisheries (including aquaculture), and forestry;
  - (ii) Construction, including building, plumbing, and civil engineering;
  - (iii) Community support, including youth work, mental health and addiction support, care for older people, support for people with disabilities, community health and interpreting;
  - (iv) Manufacturing and mechanical engineering and technology;
  - (v) Electrical engineering; and
  - (vi) Road transport (vehicle operations only); and

- (b) the expanded target area list from January 2021, which comprises the target areas in clause 3(a) above and the following:
  - (i) Conservation, including freshwater management, biodiversity and biosecurity training needs that support the Jobs for Nature initiative;
  - (ii) Information technology<sup>2</sup>, including cybersecurity, technical support and web development; and
  - (iii) Expanded scope within community support, to specifically include enrolled nursing and cleaning (within community health), and programmes that train teacher aides and people learning to teach New Zealand Sign Language to others (within support for people with disabilities).
- 4. For any study or training that is referred to in clause 2(c), we may determine that the study or training is not eligible to receive TTAF funding if:
  - (a) we consider the programme does not align with the aims of the Targeted Training and Apprenticeships Fund; or
  - (b) if both of the following are met:
    - (i) we consider that the fees are unreasonable; and
    - (ii) the fees do not align with fee rates for comparable courses or programmes across the tertiary education system.
- 5. We may decline to provide fees support to you under this agreement where we consider that a student is enrolled in a course that would otherwise be eligible for fees support under the TTAF, but has been enrolled in that course to contribute to their achievement of a qualification or programme that is not eligible for fee support under the TTAF.
- 6. We may decline to provide fees support to you under this agreement where we consider that a student is enrolled a programme that would otherwise be eligible for fees support under the TTAF, but has been enrolled with the intention of completing only part of that programme for professional development or other purposes.
- 7. If clause 5 or 6 applies, you may invoice the student for the total fees, and their component parts, that the student is liable to pay.

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<sup>2</sup>The information technology target area relates to people training towards information technology roles and professional skills. Accordingly, the programmes eligible to be funded under the TTAF do not include qualifications or programmes to build personal computing or digital literacy skills as a user of technology, or general business administration skills.

8. To be eligible for fees support under the TTAF in 2022, delivery of the courses that comprise a programme or qualification must commence on or after 1 January 2022.

*End of coverage*

9. The TTAF is only intended to cover fees for delivery of eligible programmes, and their courses, until 31 December 2022. Eligible courses funded through the SAC level 3 and above fund will receive TTAF funding for:<sup>3</sup>
  - (a) courses ending on or before 31 December 2022; or
  - (b) courses ending shortly after 31 December 2022, and we have determined that the course should be eligible for TTAF funding; or
  - (c) courses ending after 31 December 2022, and we have determined that the course should be eligible for TTAF funding.
10. For the purpose of clause 9(c), we will determine whether a course should be eligible for TTAF funding even if it continues after 31 December 2022, taking into account the following criteria:
  - (a) the policy intent to cover fees for all eligible programmes until 31 December 2022;
  - (b) courses should be excluded where only a minimal component of the course is delivered before 31 December 2022; and
  - (c) to reduce the administrative burden to TEOs and the TEC.
11. As a general guide, for eligible courses starting on or after 1 July 2020, or on or after 1 January 2021 for the expanded target areas, and that continue after 31 December 2022, the TEC will only pay fees relating to the proportion of the course that occurs before 31 December 2022. Proportions will be calculated based on the number of days from the start date of the course to the end date of course (inclusive).

*Determining eligibility of each student*

12. Every student who is enrolled in an eligible programme is eligible to have their fees paid under the TTAF if the student meets the learner eligibility criteria for SAC Level 3 and above on the NZQF Fund funding.
13. If you enrol an eligible student in an eligible programme, we will make payments to you, to compensate you for forgoing fees that would otherwise be payable by the eligible student.

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<sup>3</sup> For the purposes of this clause, any assessment as to the proportion of a course that is delivered after 31 December 2022 will be calculated based on the number of days of delivery from the start to the end date of a course (inclusive) and the proportion of those days that occur after 31 December 2022.

*Condition imposed on your SAC Level 3 and above on the NZQF Fund funding*

14. We will make payments to you to compensate you for forgoing fees that would otherwise be payable by eligible students. As specified in the condition imposed on your SAC Level 3 and above on the NZQF Fund funding, you are prohibited from charging an eligible student in respect of fees otherwise payable by the student, if we have advised you that we will compensate you for that amount in respect of fees forgone.

*Payments*

15. Each quarter (as a minimum) you will receive a payment from us. Each payment will be based on historical and existing data estimating the fees for eligible students.
16. We calculated a 12 month allocation for 2022 (1 January 2022 to 31 December 2022) based on your 2020 and 2021 delivery information and in accordance with the Targeted Training and Apprenticeship Fund allocation methodology published on our website .
17. The allocation will be paid in four equal instalments, as follows:
  - (a) in January 2022, or 10 working days following receipt of your acceptance of these terms and conditions (whichever is later); and
  - (b) the remaining three instalments in April, July and October 2022.
18. We will make adjustments to your allocation and payments, as required, based on enrolments and reconciliations. We may:
  - (a) increase the payments;
  - (b) decrease the payments; or
  - (c) if we have overpaid, require you to repay to us the amount we specify.
19. You may ask us to review a payment or your allocation if:
  - (a) you consider that a payment you receive from us in respect of any eligible student undertaking an eligible programme is inaccurate; or
  - (b) you consider that your allocation is incorrect.
20. We may:
  - (a) decide whether or not to review the payment or allocation;
  - (b) if we review the payment or allocation, decide whether or not to increase or decrease the payment or allocation;
  - (c) if we consider that the payment or allocation should be increased, give you an additional payment; and

- (d) if we consider that the payment or allocation should be decreased, set-off the amount identified against your future payments.
21. The extent to which you have received funding from the TTAF that was greater or less than it should have been will be calculated after the submission of the December 2022 SDR that you are required to submit as a condition of your SAC Level 3 and above on the NZQF Fund funding in accordance with the TTAF recovery methodology that is published on our website.

## **Conditions**

### *Reporting and fees*

22. Fees for eligible students must only relate to:
- (a) compulsory tuition fees;
  - (b) compulsory course costs, that are charged to all students enrolled in a course, which include (but are not limited to) the following:
    - (i) any compulsory costs associated with enrolment;
    - (ii) examinations (including reporting of credits to the NZQA);
    - (iii) field trips; and
    - (iv) any compulsory purchase of equipment or books through you; and
  - (c) compulsory student services fees.
23. Note that clause 22(b) excludes any administrative fees or charges (other than tuition fees or compulsory course costs) for additional services that are payable as a result of the specific circumstances of a student, which include (but are limited to) the following:
- (a) reassessment or remarking of examination results;
  - (b) examination relocation fees;
  - (c) fees associated with recognition of prior learning; or
  - (d) fees associated with an application for selected entry programmes.
24. To avoid doubt, the following items are not fees:
- (a) the cost of returning exam scripts or exam / assessment recounts;
  - (b) international handling charges for domestic students (defined in section 10 of the Education and Training Act 2020) who are living overseas and studying extramurally;
  - (c) accommodation charges other than those incurred on a field trip;
  - (d) bond payments;

- (e) administrative fees, or programme charges;
  - (f) vetting fees; and
  - (g) professional or regulatory registration fees.
25. We are only liable to pay a fee if:
- (a) it is specified in the SDR data that you provide to us as a condition of your SAC Level 3 and above on the NZQF Fund funding;
  - (b) that fee is equal to, or less than, the fee that is recorded in Services for Tertiary Education Organisations (STEO);
  - (c) you charge that fee to every student in the same circumstances (whether or not they are eligible to have their fees paid under the TTAF) who is enrolled in the same course or programme; and
  - (d) that fee complies with the fee regulation requirements set out as conditions on your SAC level 3 and above on the NZQF Fund funding.
26. We are only liable to make a payment to you in respect of an eligible student's compulsory student services fee if that fee is consistent with the ministerial direction on compulsory student services fees in effect.
27. If an eligible student withdraws from a course, you must notify us of the withdrawal in the next SDR that you are required to send us.
28. For the purposes of clause 27, 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:
- (a) by providing notice to your organisation that they wish to withdraw from participation; or
  - (b) as a result of non-attendance or non-participation for any reason.
29. You must immediately notify us if you become aware of information that indicates that an eligible student should not have been determined by us to be eligible.
30. You must provide us with any information we request, by the time we specify, to enable us to determine whether you are complying with the terms and conditions specified in this agreement.
31. You must refund the amount of any fees collected from students, or from others on behalf of or otherwise in respect of students, if we pay that amount in respect of the fees under this agreement, as soon as possible. If you are contractually obligated to make refunds to another

party (including, in the case of fees covered by the Student Loan Scheme, to the Ministry of Social Development), you must refund that party as soon as possible.

32. If fees are not being charged to, or fees have been reduced for, students as at 1 January 2022 for courses eligible under the expanded target area list, no amount will be payable, or only the reduced amount will be payable, except if, on application, we approve payment of fees, or a higher amount than the reduced amount, under the TTAF in the following circumstances:
- (a) you reduced or removed your fees as a result of COVID-19 during 2020, 2021 or 2022; or
  - (b) you have had, or anticipate, a significant recent reduction in revenue that requires you to begin charging fees, or increase your fees, and you are charging fees for all or most of your delivery; or
  - (c) you have had, or anticipate, a significant recent reduction in revenue, and the decision to begin charging or increasing fees relates to a specific reduction in revenue that has occurred as a result of external persons or entities stopping or reducing payments to the TEO as a result of you receiving TTAF funding; or
  - (d) you provide us with another reason for beginning to charge fees, or increasing fees, and we are satisfied that there are circumstances that justify such a change.
33. Clause 32 does not apply to fee increases that comply with the Annual Maximum Fee Movement settings.
34. We will only make payments to you in the circumstances described in clause 32 if you have provided us with sufficient evidence to allow us to be satisfied that one of the specified circumstances applies.
35. Nothing in this agreement affects any obligations you have to notify us of students who are eligible for Fees Free under the Fees Free tertiary education initiative.

#### *Monitoring*

36. We will actively monitor:
- (a) your compliance with the terms and conditions specified in this agreement;
  - (b) the information you provide us to confirm the eligibility of students;
  - (c) if a student whose fees are paid under the TTAF either has previously been enrolled, or, in the absence of TTAF funding, would have been enrolled, in a course that receives funding under the Māori and Pacific Trades Training or Youth Guarantee Funds, that the student receives or continues to receive the same level of support they would have if they were enrolled in a course that receives funding under those funds;

- (d) significant enrolment growth;
  - (e) enrolment transfers;
  - (f) withdrawals;
  - (g) retention of students;
  - (h) valid domestic student enrolments; and
  - (i) any other substantial changes in the nature of your delivery.
37. We will undertake our monitoring activities through:
- (a) reviewing and analysing the information you provide us;
  - (b) reviewing and analysing information we receive from other sources;
  - (c) auditing your compliance with the terms and conditions set out in this agreement through our regular audit processes; and
  - (d) initiating an investigation if we become concerned about anything that we think may put students' or trainees' interests or public money at risk.
38. You must work collaboratively with us, if required by us, to resolve any issues that may arise if there are substantial changes in the nature of your delivery.

#### *Systems*

39. You must put in place appropriate systems to ensure that, if we have paid any amount in respect of an eligible student, you do not charge the student in respect of any amount paid by us, in accordance with your funding conditions.
40. You must inform each eligible student as to:
- (a) the courses in which the student is enrolled; and
  - (b) the amount of fees we have paid you to compensate you for fees forgone that would otherwise be payable by the student.
41. The information you are required to provide in clause 40(a) and 40(b) must be the most accurate information you have at the time it is provided.

#### *Privacy*

42. You must ensure that each student who you enrol and who receives fees support through the TTAF is made aware that:
- (a) you will disclose their personal information to us to enable us to operationalise the TTAF; and

- (b) we will disclose their personal information to you to enable you to operationalise the TTAF;
- (c) we will disclose their personal information to the Ministry of Education, New Zealand Qualifications Authority, the Ministry of Social Development, and Inland Revenue to enable those agencies to operationalise the TTAF (and if the student is also eligible for the Apprenticeship Boost Initiative, to operationalise that initiative).

*In-year adjustments*

- 43. If we receive information that a student should not have been determined by us to be eligible, we will advise you as soon as practicable.
- 44. We are not liable to compensate you for fees forgone in respect of a student who should not have been determined by us to be eligible if you have failed to comply with a condition in this agreement (such as the requirement to notify us immediately if you become aware of information that indicates that a student should not have been determined by us to be eligible).
- 45. If clause 44 applies, you may invoice the student for the total fees, and their component parts, that the student is liable to pay.
- 46. We are not liable to pay you fees under the TTAF to compensate you for fees forgone in respect of a student to the extent that you have been compensated in respect of that students' fees through the Fees Free tertiary education initiative.
- 47. If you receive a payment that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-payment as a debt due to the Crown that:
  - (a) is repayable on demand; and
  - (b) may be set-off against any payment, or any sum of money payable by us to you.
- 48. Without limiting clause 47, we will consider that you have received a payment that was greater than it should have been, and recover the relevant amount in accordance with clause 47 if:
  - (a) we become aware that the correct fee is less than a fee recorded in STEO, and as a result, we have paid the incorrect amount;
  - (b) you report a fee (or part of a fee) that you do not charge to every student who is in the same circumstances and enrolled in the same course;
  - (c) you report a fee that does not comply with any fee regulation requirements set out as conditions on your SAC Level 3 and above on the NZQF Fund funding or in any other document specified by us; or

- (d) you report a fee and we determine that it is not consistent with the ministerial direction on compulsory student services fees in effect.

## Schedule Two: Conditions applying to fee payments to [name of PTE] for targeted training and apprenticeships funded through the Industry Training Fund

### Process

#### *Determining eligibility of programme*

1. An eligible programme is a programme or qualification that:
  - (a) is described in clauses 2 and 3;<sup>4</sup> and
  - (b) is delivered in accordance with clause 8.
2. A programme will be eligible for fee support through the TTAF if it is one of the following:
  - (a) a New Zealand apprenticeship that is:
    - (i) approved by the TEC and funded under the Industry Training Fund; and
    - (ii) a sub-degree programme; and
    - (iii) approved by the New Zealand Qualifications Authority (**NZQA**); and
    - (iv) a registered apprenticeship programme as at 1 June 2020, or has otherwise been determined by the TEC to be an eligible programme; and
    - (v) not otherwise excluded from being an eligible programme.
  - (b) a programme that is approved for delivery and funded through the Industry Training Fund and is:
    - (i) one of the following types of qualifications or programmes:
      - (1) New Zealand Certificates and National Certificates at levels 3 to 6 on the NZQF:
      - (2) New Zealand Diplomas and National Diplomas at levels 5 to 7 on the NZQF:
      - (3) Industry Training Fund-funded traineeships currently eligible for Fees Fee support:
      - (4) microcredentials; and
    - (ii) in a target industry area (see clause 3); and

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<sup>4</sup> For the avoidance of doubt, any references to clauses are to clauses of this Schedule (Schedule Two).

- (iii) sub-degree training; and
  - (iv) not a New Zealand apprenticeship; and
  - (v) not otherwise excluded from being an eligible programme.
- (c) study or training that is not a programme or qualification described in subclause (a) or (b), where:
- (i) the study or training is within a target industry area (see clause 3); and
  - (ii) the study or training is one of the of the following:
    - (1) a Limited Credit Programme, a Supplementary Credit Programme, or a TEC-approved training arrangement;
    - (2) an Industry Training Fund funded New Zealand Certificate or National Certificate at level 2 on the NZQF; or
    - (3) any other programme funded through the Industry Training Fund; and
  - (iii) we have determined that the training or study is an eligible programme (see clause 4).
3. For the purposes of clause 2, there are two target industry area lists, which are as follows:
- (a) the initial target area list from July 2020:
    - (i) primary industries, including agriculture, horticulture and viticulture, fisheries (including aquaculture) and forestry; and
    - (ii) construction, including building, plumbing, and civil engineering; and
    - (iii) community support, including youth work, mental health and addiction support, care for older people, support for people with disabilities, community health and interpreting; and
    - (iv) manufacturing and mechanical engineering and technology; and
    - (v) electrical engineering; and
    - (vi) road transport (vehicle operations only); and
  - (b) the expanded target area list from January 2021, which comprises the target areas in clause 3(a) above and the following:

- (i) conservation, including freshwater management, biodiversity and biosecurity training needs that support the Jobs for Nature initiative; and
  - (ii) information technology,<sup>5</sup> including cybersecurity, software testing, technical support and web development; and
  - (iii) expanded scope within community support, to specifically include enrolled nursing and cleaning (within community health), and programmes that train teacher aides and people learning to teach New Zealand Sign Language to others (within support for people with disabilities).
- 4. For any study or training that is referred to in clause 2(c), we may determine that the study or training is not eligible to receive TTAF funding if:
  - (a) we consider the programme does not align with the aims of the TTAF; or
  - (b) if both of the following are met:
    - (i) we consider that the fees are unreasonable; and
    - (ii) the fees do not align with fee rates for comparable courses or programmes across the tertiary education system.
- 5. We may decline to provide fees support to you under this agreement where we consider that an apprentice or trainee is enrolled in part of a programme that would otherwise be eligible for fees support under the TTAF, but has been enrolled in that part of the programme to contribute to their achievement of a qualification or programme that is not eligible for fee support under the TTAF.
- 6. We may decline to provide fees support to you under this agreement where we consider that an apprentice or trainee is enrolled a programme that would otherwise be eligible for fees support under the TTAF, but has been enrolled with the intention of completing only part of that programme for professional development or other purposes.
- 7. If clause 5 or 6 applies, you may invoice the apprentice or trainee for the total fees, and their component parts, that the apprentice or trainee is liable to pay.
- 8. To be eligible for fees support under the TTAF initiative, delivery of the programme must:
  - (a) commence on or after 1 January 2022; or

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<sup>5</sup>The information technology target area relates to people training towards information technology roles and professional skills. Accordingly, the programmes eligible to be funded under the TTAF do not include qualifications or programmes to build personal computing or digital literacy skills as a user of technology, or general business administration skills.

(b) have commenced before 1 January 2022, and continue after 1 January 2022.

9. In the case of a programme to which clause 8(b) applies, we will compensate you for the proportion of the apprentice's or trainee's fees that corresponds to the proportion of the eligible programme that is delivered after 1 January 2022 (up until 31 December 2022).

#### *End of coverage*

10. Eligible programmes will not receive TTAF funding for parts of the programme delivered after 31 December 2022.
11. Where some or all of a fee charged in 2022 is related to training and assessment that will occur after 31 December 2022, TTAF funding will only be paid for the proportion of training and assessment which occurred in 2022.<sup>6</sup>

#### *Determining eligibility of each apprentice or trainee*

12. Every apprentice or trainee who is enrolled in an eligible programme is eligible to have their fees paid under the TTAF if the apprentice or trainee meets the learner eligibility criteria for Industry Training Fund funding.
13. If you enrol an eligible apprentice or trainee in an eligible programme, we will make payments to you, to compensate you for forgoing fees that would otherwise be payable by the eligible apprentice or trainee.

#### *Condition imposed on your Industry Training Fund funding*

14. We will make payments to compensate you for forgoing fees that would otherwise be payable by the eligible apprentice or trainee. As specified in the condition imposed on your Industry Training Fund funding, you are prohibited from charging an eligible apprentice or trainee in respect of fees otherwise payable by the apprentice or trainee, if we have advised you that we will compensate you for that amount in respect of fees forgone.

#### *Payments*

15. Each quarter (as a minimum) you will receive a payment from us. Each payment will be based on historical and existing data estimating the fees for eligible apprentices or trainees.
16. We will calculate a 12 month allocation for 2022 (1 January 2022 to 31 December 2022). We will calculate your allocation based on your 2020 and 2021 delivery information and in accordance with the TTAF allocation methodology published on our website .

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<sup>6</sup> For the purposes of this clause, any assessment as to the proportion of a programme that is delivered after 31 December 2022 will be calculated based on the number of days of delivery from the start to the end date of a fee period (inclusive) and the proportion of those days that occur after 31 December 2022.

17. The allocation will be paid in four instalments, as follows:
  - (a) in January 2022, or 10 working days following receipt of your acceptance of these terms and conditions (whichever is later); and
  - (b) the remaining three instalments in April, July, and October 2022.
18. We will make adjustments to your allocation and payments, as required, based on enrolments and reconciliations. We may:
  - (a) increase the payments;
  - (b) decrease the payments; or
  - (c) if we have overpaid, require you to repay to us the amount we specify.
19. You may ask us to review a payment or your allocation if:
  - (a) you consider that a payment you receive from us in respect of any eligible apprentice or trainee undertaking an eligible programme is inaccurate; or
  - (b) you consider that your allocation is incorrect.
20. We may:
  - (a) decide whether or not to review the payment or allocation; if we review the payment or allocation, decide whether or not to increase or decrease the payment or allocation;
  - (b) if we consider that the payment or allocation should be increased, give you an additional payment; and
  - (c) if we consider that the payment or allocation should be decreased, set-off the amount identified against your future payments.
21. The extent to which you have received funding from the TTAF that was greater or less than it should have been will be calculated after we have reviewed the information you submit to the Industry Training Register (ITR) in March 2023 in accordance with the TTAF recovery methodology published on our website.

## **Conditions**

### *Reporting and fees*

22. Fees for eligible apprentices or trainees must only relate to:

- (a) fees for training and assessment<sup>7</sup>;
  - (b) fees paid to Industry Training Fund funded organisations, or directly to training and assessment providers;
  - (c) fees paid by trainees, apprentices or employers; and
  - (d) fees that are directly related to individual trainees undertaking training for which fees are paid by the TTAF.
23. To avoid doubt, the following items are not fees:
- (a) the cost of returning exam scripts or exam / assessment recounts;
  - (b) travel and accommodation charges other than those incurred on a field trip;
  - (c) bond payments;
  - (d) administrative fees, or programme charges;
  - (e) vetting fees; and
  - (f) professional or regulatory registration fees.
24. We are only liable to pay a fee for an eligible programme if:
- (a) the programme is specified in the ITR data that you provide to us as a condition of your Industry Training Fund funding;
  - (b) the apprentice or trainee is recorded as either Active or Grace in the ITR;
  - (c) you charge that fee to every apprentice or trainee in the same circumstances (whether or not they are eligible to have their fees paid under the TTAF) who is enrolled in the same programme;
  - (d) it is determined by us to be reasonable;
  - (e) you provide us with the necessary information to determine that the fee is reasonable as requested by us;
  - (f) the fees are set in line with the fees schedule that has been agreed between you and us, including any reasonable changes to the fee schedule;
  - (g) it is an actual and reasonable fee that reflects the cost of training and assessment of a trainee or apprentice; and

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<sup>7</sup> This includes resit fees. Resit fees are fees associated with resitting an exam or assessment where the learner has been unsuccessful in an earlier attempt. This does not include fees associated with having assessments remarked or reconsidered (clause 23(a) refers).

- (h) in relation to any fees paid directly by employers to training and assessment providers, and claimed through you, those employers complete a fee declaration in the form specified by us and submit that to you.
25. If an eligible apprentice or trainee withdraws from a programme, you must notify us of the withdrawal via ITR in compliance with existing funding conditions and operational requirements.
  26. For the purposes of clause 25, a 'withdrawal' is when an apprentice or trainee ceases to participate in a programme (regardless of whether they have been refunded any fees) because:
    - (a) the apprentice or trainee provides notice to your organisation that they wish to withdraw from participation; or
    - (b) the apprentice or trainee is no longer subject to a training agreement; or
    - (c) of non-attendance or non-participation for any reason.
  27. You must immediately notify us if you become aware of information that indicates that an eligible apprentice or trainee should not have been determined by us to be eligible.
  28. You must provide us with any information we request, by the time we specify, to enable us to determine whether you are complying with the terms and conditions specified in this agreement.
  29. You must refund the amount of any fees collected from apprentices or trainees, or from others on behalf of, or otherwise in respect of, apprentices or trainees, if we pay that amount in respect of the fees under this agreement, as soon as possible. If you are contractually obligated to make refunds to another party (including, in the case of fees covered by the Student Loan Scheme, to the Ministry of Social Development), you must refund that party as soon as possible.
  30. If fees are not being charged to, or fees have been reduced for, apprentices or trainees as at 1 January 2022, no amount will be payable, or only the reduced amount will be payable, except if, on application, we approve payment of fees, or a higher amount than the reduced amount, under the TTAF in the following circumstances:
    - (a) you reduced or removed your fees as a result of COVID-19 during 2020, 2021 or 2022; or
    - (b) you have had, or anticipate, a significant recent reduction in revenue that requires you to begin charging fees, or increase your fees, and you are charging fees for all or most of your delivery; or
    - (c) you have had, or anticipate, a significant recent reduction in revenue, that requires you to begin charging fees, and the decision to begin charging or increasing fees relates to a

specific reduction in revenue that has occurred as a result of external persons or entities stopping or reducing payments to the TEO as a result of you receiving TAF funding; or

- (d) you provide us with another reason for beginning to charge fees, or increasing fees, and we are satisfied that there are circumstances that justify such a change.
31. We will only make payments to you in the circumstances described in clause 30 if you have provided us with sufficient evidence to allow us to be satisfied that one of the specified circumstances applies.
32. Nothing in this agreement affects any obligations you have to notify us of apprentices or trainees who are eligible for Fees Free under the Fees Free tertiary education initiative.

### *Monitoring*

33. We will actively monitor:
- (a) your compliance with the terms and conditions specified in this agreement;
  - (b) the information you provide us to confirm the eligibility of apprentices or trainees;
  - (c) significant enrolment growth;
  - (d) enrolment transfers;
  - (e) withdrawals;
  - (f) retention of apprentices or trainees;
  - (g) valid apprentice and trainee enrolments; and
  - (h) any other substantial changes in the nature of your delivery.
34. We will undertake our monitoring activities through:
- (a) reviewing and analysing the information you provide us;
  - (b) reviewing and analysing information we receive from other sources;
  - (c) auditing your compliance with the terms and conditions set out in this agreement through our regular audit processes; and
  - (d) initiating an investigation if we become concerned about anything that we think may put apprentices' or trainees' interests or public money at risk.
35. You must work collaboratively with us, if required by us, to resolve any issues that may arise if there are substantial changes in the nature of your delivery.

### *Systems*

36. You must put in place appropriate systems to ensure that, if we have paid any amount in respect of an eligible apprentice or trainee, you do not charge the apprentice or trainee in respect of any amount paid by us, in accordance with your funding conditions.
37. You must put in place appropriate systems to ensure that, if we have paid or will pay any amount in respect of an eligible apprentice or trainee in relation to any fees paid directly by employers to training and assessment providers, and claimed through you, that:
  - (a) those employers complete a fee declaration in the form specified by us and submit that to you; and
  - (b) the fee declared by employers is an actual and reasonable fee that reflects the cost of training and assessment of a trainee or apprentice.
38. You must inform each eligible apprentice or trainee as to:
  - (a) the programmes in which the apprentice or trainee is enrolled; and
  - (b) the amount of fees we have paid you to compensate you for foregoing fees otherwise payable by the apprentice or trainee.
39. The information you are required to provide in clause 38(a) and 38(b) and must be the most accurate information you have at the time it is provided.

### *Privacy*

40. You must ensure that each apprentice or trainee who you enrol and who receives fees support through the TTAF is made aware that:
  - (a) you will disclose their personal information to us to enable us to operationalise the TTAF; and
  - (b) we will disclose their personal information to you to enable you to operationalise the TTAF;
  - (c) we will disclose their personal information to the Ministry of Education, New Zealand Qualifications Authority, the Ministry of Social Development, and Inland Revenue to enable those agencies to operationalise the TTAF (and if the trainee is also eligible for the Apprenticeship Boost Initiative, to operationalise that initiative).

### *In-year adjustments*

41. If we receive information that an apprentice or trainee should not have been determined by us to be eligible, we will advise you as soon as practicable.

42. We are not liable to compensate you for foregoing fees in respect of an apprentice or trainee who should not have been determined by us to be eligible if you have failed to comply with a condition in this agreement (such as the requirement to notify us immediately if you become aware of information that indicates that an apprentice or trainee should not have been determined by us to be eligible).
43. If clause 42 applies, you may invoice the apprentice or trainee for the total fees, and their component parts, that the apprentice or trainee is liable to pay.
44. We are not liable to pay you fees under the TTAF to compensate you for fees forgone in respect of a student to the extent that you have been compensated in respect of that student's fees through the fees free tertiary education initiative.
45. If you receive a payment that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-payment as a debt due to the Crown that:
  - (a) is repayable on demand; and
  - (b) may be set-off against any payment, or any sum of money payable by us to you.