

**Strategic Component of the Unified Funding System for Vocational Education and Training  
Fund  
Conditions for Te Pūkenga**

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**Purpose of the unified funding system for vocational education and training**

The unified funding system is designed to incentivise providers to:

- (a) support learners to transition to work-based training,
- (b) enhance support for employers,
- (c) increase and improve success and support for all learners,
- (d) respond to national and regional skills priorities, and
- (e) ensure a strong and sustainable regional network of provision.

**Purpose of Fund**

- (a) This fund provides funding unlinked to learner enrolments to support the tertiary sector to progress strategic priorities for vocational education and training.
- (b) This fund comprises two elements:
  - (i) Element 1: Responding to national and regional skills priorities, informed by advice from Workforce Development Councils (WDCs) and Regional Skills Leadership Groups (RSLGs); and
  - (ii) Element 2: Supporting programme development and maintenance aligned with the Reform of Vocational Education objectives. For 2023 and 2024, Element 2 includes funding to support PTEs to transition and adapt to the new incentives of the Unified Funding System (PTE Transition Support).

The following Conditions apply, under section 426 (on-plan) of the Education and Training Act 2020 (the Act), to the Strategic Component of the Unified Funding System for Vocational Education and Training (Strategic Component) Fund Funding you receive for the Funding Period. These conditions apply 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**

To receive Strategic Component Fund Funding, you must continue to be Te Pūkenga – New Zealand Institute of Skills and Technology (Te Pūkenga)

**2. Use of Strategic Component Fund funding for Element 1**

2.1 You must use funding for Element 1 to:

- (a) meet your Charter obligations outlined in Schedule 13 of the Act, including meeting the education and training needs of regions throughout New Zealand;
- (b) develop and deliver innovative projects, initiatives and provision that respond to the national and regional skills priorities set by us that have been informed by advice from WDCs and RSLGs; and
- (c) meet any additional assessment and eligibility criteria specified by us.

2.2 You must not use funding for Element 1 to develop any qualifications unless previously approved by us..

### **3. Use of Strategic Component Fund funding for Element 2**

3.1 If you receive funding for Element 2, you must:

- (a) use the funding to:
  - (i) either:
    - (1) develop new programmes that are innovative and flexible; or
    - (2) review and maintain existing programmes; and
  - (ii) support the realisation of the Tertiary Education Strategy (TES) and other key education strategic objectives, aligned with the purpose of the unified funding system and the advice of WDCs; and
  - (iii) meet criteria specified by us; and

3.2 You must use the Strategic Component Fund funding to achieve the milestones set out in your funding confirmation letter, by the dates specified in that letter.

### **4. Reporting**

By the date, and in the form, specified by us, you must provide us with:

- (a) an expenditure report relating to the period from 1 January-30 June for each year that you receive Strategic Component Fund funding;
- (b) a final expenditure report that relates to the period from 1 January-31 December for each year that you receive Strategic Component Fund funding; and
- (c) progress reports that set out how you have used Element 1 funding to respond to national and regional skills priorities, informed by WDCs and RSLGs; and
- (d) progress reports that set out how you have used Element 2 funding to progress from development and maintenance of programmes to implementation of those programmes, in accordance with the framework set out in your investment plan and that has been approved by us.

### **5. Repayment of Strategic Component Fund Funding**

If you receive Strategic Component Funding that is greater than it should have been, that you were not entitled to receive, or that has not been contractually committed towards the purposes for which funding was provided as at 31 December 2023, 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.

### **6. Suspension, revocation or withdrawal of Strategic Component Fund Funding**

6.1 If we suspend, revoke or withdraw some or all of your Strategic Component Funding under clause 16 of Schedule 18 of the 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 by us; and
- (b) may be set-off against all or any funding, or any sum payable by us to you.

6.2 We may suspend or revoke some or all of your Strategic Component Funding in accordance with Condition 6.1 and the processes in the Act if we are satisfied on reasonable grounds that:

- (a) you have not achieved the milestones set out your funding confirmation letter (including if you have not achieved the milestones by the date specified), or have not achieved them to our satisfaction; or
- (b) your expenditure report as referred to in Condition 4(a) indicates significant issues with compliance with these funding conditions.