



Office of Hon Steven Joyce

Minister for Economic Development
Minister for Regulatory Reform
Minister of Science and Innovation
Minister for Tertiary Education, Skills and Employment

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02 DEC 2015

John Spencer
Chair
Tertiary Education Commission
PO Box 27048
Wellington 6141

Dear John

Determination of Design of Funding Mechanism: Gateway

I am writing to advise you of the new funding determination that I have made under section 159L of the Education Act 1989 (the Act) for Gateway. The new determination is set out in the appendix to this letter.

The determination covers the period from 1 January 2016.

The 2016 funding determination incorporates the policy change to Gateway to extend the eligibility for Gateway funding to partnership schools kura hourua.

Gateway is part of the Youth Guarantee set of initiatives, which supports students to achieve NCEA Level 2 and transition into further study or employment. I am keen for Gateway to continue to support students to gain skills needed by industry through workplace based learning, which helps them transition into careers.

Under section 159O of the Act, it is the Commission's responsibility to develop operational policy and the details of how to implement the funding mechanism. I expect that the Commission will set appropriate measures as part of its Statement of Service Performance in order to report to me on its performance in giving effect to these determinations.

Yours sincerely

Steven Joyce
Minister for Tertiary Education, Skills and Employment

DETERMINATION OF DESIGN OF FUNDING MECHANISM: GATEWAY

PRELIMINARY PROVISIONS

Statutory authority

1. This determination, which is made under section 159L of the Education Act 1989 (the Act), specifies the design of the funding mechanism for Gateway.

Purpose

2. The purpose of funding Gateway provision is to enable state, state integrated, or partnership school kura hourua New Zealand secondary schools to give senior students opportunities to access quality structured workplace learning that is integrated with school-based learning.
3. 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) or the National Certificate of Educational Achievement (NCEA).

Off-plan funding

4. The Tertiary Education Commission (TEC) must pay Gateway funding under section 159ZC of the Act.

PART ONE: THE FUNDING MECHANISM

General parameters

Effective period dates

5. This funding mechanism applies to funding for provision from 1 January 2016.
6. The TEC may exercise any of its administrative functions as required to give effect to this funding mechanism outside of this date.

Available funding

7. The total amount of Government funding that can be allocated under this funding mechanism will be set through the Government's annual budget processes.

Funding formula and rates

8. The TEC must fund a tertiary education organisation (TEO) for the number of eligible students enrolled in the Gateway programme, up to the number of students agreed between the TEO and the TEC.
9. The TEC must determine funding rates for Gateway provision from time to time and notify the rates to eligible TEOs.

TEO eligibility

10. The TEC may only fund a TEO under this funding mechanism if the TEO is:
 - a. a state, state integrated, or partnership school kura hourua New Zealand secondary school; and
 - b. is quality assured by the Education Review Office.

Eligibility of students

11. The TEC must ensure that a TEO that receives funding under this funding mechanism only uses it for eligible students.
12. To be an eligible student, the student must be:
 - a. a domestic student as defined in section 159 of the Act; and
 - b. enrolled at a state, state integrated, or partnership school kura hourua New Zealand secondary school; and
 - c. year 11 or above (a senior student).

Eligible programmes

13. The TEC must ensure that a TEO that receives funding under this funding mechanism only uses that funding for a programme of study or training that:
 - a. has credits that contribute to a qualification on the NZQF and/or the NCEA; 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; and
 - c. integrates workplace learning with each eligible student's wider course of study.
14. The TEC must encourage TEOs offering Gateway programmes to align the programmes and credits, where appropriate, to one or more of the following six Vocational Pathways:
 - a. Primary Industries;
 - b. Service Industries;
 - c. Social and Community Services;
 - d. Manufacturing and Technology;
 - e. Construction and Infrastructure; and
 - f. Creative Industries.
15. It is expected that, on average, students on Gateway programmes will achieve 20 credits, towards qualifications on the NZQF or the NCEA.

PART TWO: FUNDING CONDITIONS

General Conditions

16. The TEC, in funding an eligible school under this funding mechanism under section 159ZC of the Act, may impose any conditions on funding that it considers necessary, including, without limitation, conditions for ensuring that funding will achieve the purpose for which it has been provided.

Conditions that the TEC must attach to funding

17. The TEC must impose the following specific conditions on funding provided to each TEO under this funding mechanism.

Tertiary Education Organisations

18. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism must meet, and for the length of the funding period, continue to meet, all the eligibility criteria specified in paragraph 10 of this funding mechanism.

Students

19. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism must ensure that each eligible student who is enrolled in a Gateway programme meets and continues to meet the criteria specified in paragraph 12 of this funding mechanism.

Programmes

20. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism must ensure that a Gateway programme in which an eligible student is enrolled meets and continues to meet the criteria specified in paragraph 13 of this funding mechanism.

TEO responsibilities

21. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism:
 - a. must not use funding provided under this funding mechanism to:
 - (i) fund the cost of school space; nor
 - (ii) fund school office or administrative services other than services specifically for Gateway provision; and
 - b. must not charge a tuition fee, or course or equipment costs to a student in Gateway for his or her programme of study or training; and
 - c. must ensure that each student has the equipment necessary for his or her work placement, including tools, equipment, safety clothing and tuition material; and
 - d. must comply with all administrative requirements specified by the TEC; and

- e. must ensure that each employer is aware of its employer obligations and that the workplace is appropriate for structured workplace learning; and
 - f. must ensure that each student is aware of his or her obligations as an employee; and
 - g. must meet minimum performance standards specified by the TEC.
22. The TEC must attach to funding a condition that a TEO that receives Gateway funding under this funding mechanism must provide the TEC with access to its premises, employees, and information for the purposes of:
- a. inspecting the records that the TEO must keep; or
 - b. auditing the TEO's compliance with funding conditions and requirements in the Act.

No other funding

23. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism:
- a. must not (without the TEC's prior written consent) seek or obtain any funding from any Crown source other than the TEC to fund Gateway provision which is funded under this funding mechanism; and
 - b. must notify the TEC immediately if it becomes aware of any circumstances that might result in a breach of sub-paragraph (a) of this condition.

Responsible use of funding

24. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism must use the funding:
- a. lawfully, responsibly, and for the purposes for which the funding is provided; and
 - b. in a manner consistent with the appropriate use of public funds.

Recovery of over funding

25. The TEC must attach to funding a condition that if a TEO receives funding under this funding mechanism that is greater than it should have been, or that it was not entitled to receive, the TEO 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 the TEC to the TEO.
26. The TEC must provide the TEO with reasonable notice before exercising its right to demand repayment or set-off the debt against any or all funding.

TEC administrative responsibilities

27. If a TEO receives funding under this funding mechanism that is less than it should have been, or than it was entitled to receive, the TEC must treat the amount of the under-funding as a credit and pay the amount of the under-funding as soon as reasonably practicable.