

# Unified Funding System

## VISION

A unified funding system that supports closer integration of work-based and provider-based learning, encourages more work-relevant and tailored support for learners, and enables new models of education delivery which are responsive to employer and industry demand.

### CURRENT STATE

Two disconnected, volume driven funding systems with very little strategic or learner-based funding.

**Current funding:** around 80% provider-based system, around 20% work-based system.

#### PROVIDER-BASED FUNDING SYSTEM

##### Student Achievement Component (SAC) Levels 3-7

Subsidises education delivery for learners enrolled with a tertiary provider.



Around **99%** of funding

##### Equity Funding

Tuition top up for priority learners (Māori, Pacific and disabled learners).

Around **1%** of funding

#### WORK-BASED FUNDING SYSTEM

##### Industry Training Fund

Subsidises transitional industry training organisations to support work-based learning.



Around **99%** of funding

##### Joint Ventures Amalgamation Fund

Funding for collaboration on innovative projects.

Around **1%** of funding

### FUTURE STATE

Creating a single unified funding system for vocational education providers that is flexible, transparent, and responsive to learners, employers and communities.

#### UNIFIED FUNDING SYSTEM

##### LEARNER COMPONENT



##### The learner component will:

- Support providers to improve system performance, particularly for under-served learner groups
- Make sure the funding system better recognises the additional costs for tailoring education delivery and support.

##### DELIVERY COMPONENT



##### The delivery component will:

- Recognise the broad differences in delivery costs across subject and delivery modes (e.g. provider-led)
- Incentivise providers to support learners to transition to work-based learning
- Improve the quality and relevance of all provision.

##### STRATEGIC COMPONENT



##### The strategic component will:

- Support Te Pūkenga to meet its charter obligations
- Support national and regional skills priorities identified by Workforce Development Councils and Regional Skills Leadership Groups
- Support the costs of programme development and maintenance.