



Tertiary Education  
Commission  
Te Amorangi Mātauranga Matua



# Gateway Fund

2020 Funding Conditions Catalogue



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National Office  
44 The Terrace  
PO Box 27048  
Wellington, New Zealand

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**Authors**

The Tertiary Education Commission  
[www.tec.govt.nz](http://www.tec.govt.nz)

# 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 TEC has taken a new approach to providing organisations with its funding conditions. For 2020 funding, we have removed our base funding conditions and fund-specific conditions from an organisation's funding confirmation letters and created funding conditions catalogues.

The change is intended to make it easier to find and access the information you need. To do this, we have created this conditions catalogue just for Gateway schools. It 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 on this page, the following Conditions apply to your Funding:
  - (a) Fund-specific Conditions (see the fund-specific conditions in the Conditions Catalogue in Workspace 2 or, if you do not have access to Workspace 2, your Funding Confirmation Letter); 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 Section 159ZD(1) of the Education Act 1989 sets 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 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 section 159ZE of the Education Act has been lost or damaged;
  - (ii) you are no longer able to comply with a Condition;
  - (iii) you have an Insolvency Event (see definition below);
  - (iv) you have changed your name; or
  - (v) the location or locations at which you deliver a course or courses has changed.

#### *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 Source and use of funding**

- (a) You must:
  - (i) not (without our prior written consent) 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; 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.

## **2.3 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.

# 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 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 either a reduced payments schedule following withdrawing, suspending or revoking some of your funding under section 159ZF of the Act; or
  - (b) recover funding for under-delivery of the programmes and activities described in your Application for Funding, in accordance with the Conditions.
- 1.3 The amounts specified in your 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 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 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 us:
  - (a) monitoring your performance against the Performance Commitments set out in the Minimum Requirements;
  - (b) encouraging the on-going 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 the Minimum Requirements, or that you will not comply with a Condition, you should 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 section 159ZE of the Education Act.
- 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 Application of Funding; 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
  - (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 and the Minimum Requirements 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 section 159ZF of the Education Act, in which case sections 159ZG and 159ZH of the Education 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; or
- (b) you have not provided, or are not providing, adequate and timely information required by us or the Ministry.

#### **7. 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 Application for Funding; or
- (c) will fund you in the future.

# Gateway Fund Conditions

## Purpose of Fund

Gateway provision enables New Zealand secondary schools (state, state-integrated, or partnership school kura hourua) 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. Students can achieve credits towards qualifications on the New Zealand Qualifications Framework (NZQF) or towards the National Certificate of Educational Achievement (NCEA) which may align to one or more Vocational Pathways.

The following Conditions apply, under section 159ZD of the Education Act, to the Gateway Fund Funding that you receive for the Funding Period, in addition to the Base Funding Conditions set out in the Conditions Catalogue in Workspace 2, and the Conditions in the Education Act.

## 1. Organisation eligibility

You must continue to be:

- (a) a state, state-integrated, or partnership school kura hourua New Zealand secondary school; and
- (b) quality assured by the Education Review Office.

## 2. Student eligibility

You must ensure that each student who is enrolled in a Gateway programme of study or training 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, state-integrated, or partnership school kura hourua New Zealand secondary school; and
- (c) year 11 or above.

## 3. Programme eligibility

You must ensure that the Gateway programme of study or training in which an eligible student is enrolled 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;
- (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 Gateway programmes; and
- (b) not use Gateway Fund Funding to fund:
  - (i) the cost of school space; nor
  - (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 in Gateway for his or her programme of study or training; and
- (d) ensure that each eligible student has the equipment necessary for his or her 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 his or her work placement; and
- (g) monitor the safety of each eligible student in his or her 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 his or her 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 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.

# Definitions and Interpretation

## 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 section 159U of the Education Act from the requirement to provide an Investment Plan, the documents submitted by you in relation to On-Plan Funding;

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

**Domestic Student** means a domestic student as defined in section 159 of the Education Act;

**Education Act** means the Education Act 1989;

**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 159L of the Education 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 section 159T(1) of the Education Act that has been prepared and assessed in accordance with the requirements set out in sections 159P to 159R and 159V to 159YA of the Education Act;

**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;

**NZQF** means the New Zealand Qualifications Framework;

**Off-Plan Funding or Off-Plan Funds** means, respectively, funding paid by us to you under section 159ZC of the Education Act, or from a Fund to which section 159ZC of the Education Act applies;

**On-Plan Funding** or **On-Plan Funds** means, respectively, funding paid by us to you pursuant to section 159YA of the Education Act, or from a Fund to which section 159YA of the Education 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;

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

**TEO** means an organisation defined in section 159B(1) of the Education Act;

**Withdrawal** means 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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