

# **DETERMINATION OF DESIGN OF FUNDING MECHANISM: MĀORI AND PASIFIKA TRADES TRAINING**

## ***PRELIMINARY PROVISIONS***

### ***Statutory Authority***

1. This funding determination, which is made under section 159L of the Education Act 1989 (the Act), specifies the design of the funding mechanism for the expansion of Māori and Pasifika Trades Training (MPTT).
2. This funding mechanism enables the Tertiary Education Commission (TEC) to fund eligible consortia for the purposes agreed by Cabinet in March 2013. That is, a dedicated trades training initiative for Māori and Pasifika learners aged from 18 years to 34 years of age for the delivery of provision at New Zealand Qualifications Framework (NZQF) Levels 1-4 to support employment and entry to a New Zealand Apprenticeship [SOC (13)27 refers].

### ***Purpose***

3. MPTT provides fees-free tertiary places for Māori and Pasifika learners to enable them to acquire the skills and attributes to take up a New Zealand Apprenticeship at Level 4 or higher on the NZQF.
4. Funding paid under this funding mechanism is for:
  - a. fees top-ups to make the foundation education component of Student Achievement Component (SAC) funded programmes of study or training fees-free to MPTT learners; and
  - b. brokerage services to facilitate the necessary links between employers and education providers to progress learners into a New Zealand Apprenticeship.
5. The Government contribution towards the costs of teaching and learning services is funded through the SAC. An organisation delivering trades training under the MPTT initiative must meet the teaching and learning costs through its existing agreed SAC allocations funded as part of its investment plan. If an organisation does not receive SAC funding it must have an agreement with an organisation that has a SAC allocation that is approved by the TEC.
6. This funding is supplemented by a grant of \$1,000 to each learner to subsidise the cost of tools relevant to the learner's employment.<sup>1</sup>

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<sup>1</sup>The TEC is to pay the tools grant under a separate delegation to any member of an approved consortium who receives it on behalf of the learner. The tools grant is designed to incentivise retention nearing the completion of training, and to foster strong transitions into employment and a New Zealand Apprenticeship at NZQF Level 4 or above.

### ***Off-plan funding***

7. The TEC must pay MPTT funding under section 159ZC of the Act.

## **PART ONE: THE FUNDING MECHANISM**

### **General parameters**

#### ***Effective period dates***

8. This funding mechanism covers funded activities delivered from the date of issue until 31 December 2015.
9. The TEC may exercise any of its administrative functions as required to this funding mechanism outside of these dates.

#### ***Consortium***

10. For the purposes of MPTT, a consortium must consist of at least one tertiary education organisation, employer representation, and a Māori and/or Pasifika entity, and be approved by the Ministry of Business, Innovation and Employment (MBIE).
11. A consortium is tasked with the aim of: “increasing access for Māori and Pasifika learners to vocational training, improving pre-trades training (including robust work preparation), to align more closely to the needs of employers, Māori, and Pasifika communities”.

#### ***Available funding***

12. 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 for fees top-ups***

13. The TEC must calculate funding for fees top-ups for enrolments in SAC-funded programmes of study or training in units of equivalent full-time student (EFTS). One EFTS unit is defined as the student workload that would normally be carried out by a student enrolled full-time in a single academic or calendar year.
14. The TEC must allocate funding for fee top-ups at a rate of \$4,000 per EFTS.

#### ***Funding for Brokerage***

15. The TEC must allocate brokerage funding at a rate of \$733 per learner.

### **Organisation eligibility**

16. The TEC may only allocate MPTT funding to:

a. a TEO that:

- i. is part of an consortium approved by the Ministry of Business Innovation, and Employment, (MBIE); and
- ii. is one of the following:
  - A. a wānanga;
  - B. an institute of technology and polytechnic (ITP);
  - C. a private training establishment (PTE); or
  - D. a university; and
- iii. is quality assured by:
  - A. the New Zealand Qualifications Authority (NZQA), if the TEO is a wānanga, ITP, or PTE;
  - B. the New Zealand Vice-Chancellors' Committee (trading as Universities New Zealand), if the TEO is a university; and
- iv. has been allocated SAC funding from the TEC; or

b. an organisation that:

- i. is part of an consortium approved by MBIE; and
- ii. is one of the following:
  - A. an industry training organisation that is quality assured by NZQA; or
  - B. a person or body<sup>2</sup> that provides tertiary education-related services and is identified in accordance with section 159B(2) of the Act; and
- iii. has a contract for SAC-funded provision with at least one TEO that meets the criteria of subparagraph (a); or

c. a consortium that:

- i. is approved by MBIE; and
- ii. is a legal entity; and
- iii. is identified in accordance with section 159B(2) of the Act; and
- iv. has a contract for SAC-funded provision with at least one TEO that meets the criteria of subparagraph (a).

17. For the purposes of this funding mechanism, all eligible recipients of funding will be referred to as “organisations”.

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<sup>2</sup> This may include an employer, or a Māori or Pasifika community organisation.

18. As the consortium arrangement is intended to provide flexibility in allocating MPTT funding, the TEC may:
  - a. fund an organisation for both fees top-ups and brokerage on a consortium's behalf; or
  - b. fund multiple organisations within a consortium for both fees top-ups and brokerage; or
  - c. fund multiple organisations within a consortium for either fees top-ups or brokerage; or
  - d. fund a consortium for both fees top-ups and brokerage, allowing the consortium to contract with its own members, or other TEOs, for SAC-funded provision and brokerage.

### ***Eligibility of learners***

19. The TEC must ensure that an organisation only receives MPTT funding for fees top-ups and/or brokerage for eligible learners.
20. To be an eligible learner, a learner must:
  - a. be one of the following:
    - i. a domestic student; or
    - ii. an Australian citizen or Australian permanent resident currently residing in New Zealand; and
  - b. be Māori<sup>3</sup> or Pasifika<sup>4,5</sup> and
  - c. be aged between 18 and 34 years of age at the start date of the first course in the programme of study or training; and
  - d. be enrolled in a SAC-funded programme of study or training that leads to the award of a qualification at levels 1 to 4 on the NZQF.

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<sup>3</sup> For administrative purposes this refers to those with evidence of Māori ancestry, whakapapa, or persons that made an oath, affirmation or declaration that they are Māori made before a person recognised and authorised to administer such oaths, attestations, or declarations. [e.g. a Kaumātua affiliated to a recognised Māori hapu, iwi, or legal entity, a Justice of the Peace, or other persons empowered to administer oaths and declarations under the Oaths and Declarations Act 1957.]

<sup>4</sup> For administrative purposes this includes those who have evidence of ancestry from the independent and sovereign nations of the South Pacific and meet the conditions of paragraph 20(a-d) and for whom priority must be given. This includes The Republic of Fiji, The Kingdom of Tonga, Manu Samoa, the Cook Islands, Solomon Islands, Vanuatu, Tuvalu, Nauru, Niue and Kiribati. It also includes the atolls of Tokelau for which New Zealand is administratively and constitutionally responsible.

<sup>5</sup> Additionally, on the basis of a request by a consortia, TEC may grant admission to learners descended from persons from French Polynesia, Wallis and Futuna Islands, New Caledonia, Papua New Guinea and American Samoa provided they also meet the conditions of paragraph 20(a-d) and there is spare capacity but only after prior consideration of admission by Māori and Pasifika learners as identified in notes 3 and 4.

***Eligible programmes and qualifications for fees top-ups***

21. The TEC must ensure that an organisation only receives MPTT funding for fees top-ups for eligible learners enrolled in a programme of study or training that:
  - a. is SAC-funded; and
  - b. leads to the award of a qualification at levels 1 to 4 on the NZQF; and
  - c. forms a pathway to entry requirements for a New Zealand Apprenticeship at level 4 or above on the NZQF.

***Ineligible programmes and qualifications for fees top-ups***

22. The TEC must ensure that an organisation does not use MPTT fees top-ups funding to fund a New Zealand Apprenticeship.

***Eligibility for brokerage***

23. The TEC must ensure that an organisation only receives MPTT funding for brokerage for eligible learners for whom the organisation is facilitating links between employers and the TEO in which the learner is enrolled.

## **PART TWO: FUNDING CONDITIONS**

### **General Conditions**

24. The TEC, in funding an organisation eligible for funding 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 allocated.

### **Conditions that the TEC must attach to funding**

25. The TEC must impose the following specific conditions on funding provided to each relevant organisation under this funding mechanism.

### ***Eligible organisations***

26. The TEC must attach to funding a condition that an organisation that receives MPTT funding for fees top-ups and/or brokerage under this funding mechanism must meet and continue to meet all of the relevant eligibility criteria of paragraph 16 of this funding mechanism.
27. For the purposes of paragraph 26 above, an organisation that receives MPTT funding for fees top-ups and/or brokerage under this funding mechanism must remain as part of the same approved consortium for the length of the funding period.
28. The TEC must attach to funding a condition that if an organisation that receives MPTT funding under this funding mechanism contracts for provision of any of the activities funded under this funding mechanism, it must:
  - a. ensure that the contracting party meets all the eligibility criteria specified in this funding mechanism; and
  - b. remain accountable for the contracting party's adherence to all conditions attached to funding allocated under this funding mechanism; and
  - c. ensure that the contracting party does not further subcontract the activities for which funding has been allocated under this funding mechanism without written consent from the TEC to do so.

### ***Learners***

29. The TEC must attach to funding a condition that an organisation that receives MPTT funding for fees top-ups and/or brokerage under this funding mechanism must ensure that each learner meets and continues to meet the criteria of paragraph 20 of this funding mechanism.

### ***Programmes and qualifications for fees top-ups***

30. The TEC must attach to funding a condition that an organisation that receives MPTT funding for fees top-ups under this funding mechanism must ensure that a programme of study or training in which an eligible learner is enrolled meets and continues to meet the criteria of paragraph 21 of this funding mechanism.

31. The TEC must attach to funding a condition that an organisation that receives MPTT funding for fees top-ups under this funding mechanism must ensure that the funding is not used to fund:
  - a. the teaching and learning component of the programme of study or training already funded by SAC; or
  - b. a New Zealand Apprenticeship.
32. The TEC must attach to funding a condition that an organisation that receives MPTT funding for fees top-ups under this funding mechanism must use the Literacy and Numeracy for Adults Assessment Tool (or the youth option of the Tool) to identify the literacy, numeracy, or literacy and numeracy needs of each learner, and measure his or her progress. For the purposes of clarity, this includes all eligible learners enrolled in a programme of study or training that leads to the award of a qualification at levels 1 to 4 on the NZQF.

### ***Brokerage***

33. The TEC must attach to funding a condition that an organisation that receives MPTT funding for brokerage under this funding mechanism must facilitate links between employers and the TEO in which an eligible learner is enrolled.

### ***Fees and associated course costs***

34. The TEC must attach to funding a condition that an organisation that receives MPTT funding for fees top-ups under this funding mechanism must not charge a fee to a learner enrolled in a qualification that is funded under this funding mechanism.
35. The TEC must attach to funding a condition that an organisation that receives MPTT funding for brokerage under this funding mechanism must not charge a fee to a learner for brokerage services.

### ***Eligible organisation's responsibilities***

36. The TEC must attach to funding a condition that an organisation that receives MPTT funding for fees top-ups and/or brokerage under this funding mechanism must meet minimum performance standards specified by the TEC or MBIE.

### ***Funding from other sources***

37. The TEC must attach to funding a condition that an organisation that receives funding under this mechanism must:
  - a. not (without the TEC's prior written consent) seek or obtain any funding from any Crown source other than the TEC to fund a programme or training scheme which is funded under this funding mechanism; and
  - b. notify the TEC immediately if it becomes aware of any circumstances that might result in a breach of sub-paragraph (a) of this condition.
38. The TEC must attach to funding a condition that an organisation that receives MPTT funding for fees top-ups for an eligible learner under this funding

mechanism must not seek or claim fees payments or other fees top-up funding from any other Crown source for the same learner, without the prior approval of TEC in writing.

***Responsible use of funding***

39. The TEC must attach to funding a condition that an organisation that receives funding under this funding mechanism must use the funding:
- a. 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***

40. The TEC must attach to funding a condition that if the organisation receives funding under this funding mechanism that is greater than it should have been, or that it was not entitled to receive, the organisation 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 organisation.

***TEC administrative responsibilities***

41. The TEC must attach to funding a condition that if the organisation receives funding under this funding mechanism that is less than it should have been, or that it was entitled to receive, the TEC must treat the amount of the under-funding as a credit and pay the amount as soon as is reasonably practicable.