

## Youth Guarantee – Conditions on Funding

### YG001: TEO to supply information to the TEC

This condition is imposed under section 159YC(1) of the Education Act 1989.

As specified in section 159YC(1) of the Education Act 1989, it is a condition of a TEO receiving funding that the TEO will supply to the TEC, from time to time as required by the TEC, and in the form specified by the TEC, any financial, statistical, or other information that a TEO is required by the TEC to supply.

#### *TEO to supply enrolment information to the TEC*

The TEO must:

- a) supply to the TEC information about each student enrolled in a Youth Guarantee course linked to a funded qualification by completing the fields in the Single Data Return (SDR) in accordance with the SDR Manual and its appendices; and
- b) submit the information through the SDR on or before the date specified by the TEC; and
- c) submit the SDR through the Services for Tertiary Education Organisations ([STEO website](#)).

For more information on how to submit an SDR return, please refer to the [SDR Manual](#).

#### *TEO to supply information to the TEC in certain situations*

The TEO must notify the TEC immediately if:

- a) any record that the TEO is required to keep under the Education Act 1989 has been lost or damaged; or
- b) the TEO is no longer able to comply with a condition of funding.

#### *Private Training Establishment (PTE) to supply information to the TEC in certain situations*

This condition applies to a PTE.

The PTE must notify the TEC immediately if:

- a) its NZQA registration or accreditation is cancelled; or
- b) it is in liquidation or receivership; or
- c) it has a change of ownership or governance; or
- d) it changes its name; or
- e) it changes the location or locations at which the PTE delivers a course or courses.

For the purposes of this condition, a change of ownership or governance means any of the following:

- a) the merger of a PTE with another company or organisation; or
- b) transfer or sale to a trust; or
- c) transfer or sale of all or part of the business (assets) to a new owner; or
- d) change to the control of a PTE (private company); or
- e) change in a director of the PTE (private company).

**YG002: TEO to be eligible to receive Youth Guarantee funding**

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

This condition applies to a TEO funded to deliver Youth Guarantee programmes other than those for the Ministry of Education's secondary-tertiary partnership pilot programme.

The TEO must, for the period of funding approval, continue to be:

- a) an institute of technology and polytechnic (ITP); or
- b) a wānanga; or
- c) a PTE; or
- d) a state school or state integrated school that has been funded by the TEC since 2011.

**YG003: TEO to be eligible to participate in pilot programme**

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

This condition applies to a TEO funded to deliver Youth Guarantee programmes as a part of the Ministry of Education's secondary-tertiary partnership pilot programme.

The TEO must, for the period of funding approval, continue to be:

- a) an ITP; or
- b) a wānanga; or
- c) a PTE.

**YG004: TEO to be quality assured eligible to receive Youth Guarantee funding**

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must, for the period of funding approval, continue to be quality assured by:

- a) the New Zealand Qualifications Authority (NZQA), if the TEO is an ITP, a wānanga, or a PTE; or
- b) the Education Review Office, if the TEO is a state or state-integrated school.

**YG005: TEO to use funding for approved qualifications or courses**

This condition is imposed under section 159YC(2)(b) of the Education Act 1989.

The TEO must only use Youth Guarantee funding to deliver qualifications and courses specified in the TEO's Investment Plan.

To receive approval for a qualification to be specified in an Investment Plan, the TEO must submit the relevant documents to the TEC in accordance with information on the TEC's website.

**YG006: TEO to meet requirements when making changes to a qualification**

This condition is imposed under section 159YC(2)(b) of the Education Act 1989.

Before making a minor change to a qualification, the TEO must:

- a) obtain approval for the minor change from the relevant quality assurance body (if required), that is:

- (i) NZQA, if the TEO is a PTE or REAP provider; or
  - (ii) NZQA or the TEO's Academic Board, if the TEO is an ITP or a wānanga; or
  - (iii) the New Zealand Vice Chancellor's Committee on University Academic Programmes (CUAP), if the TEO is a university; and
- b) notify the TEC of the change and provide the relevant information; and
- c) obtain approval from the TEC to update the course or qualification register.

Before making a significant change to a qualification, the TEO must:

- a) obtain approval from the relevant quality assurance body; and
- b) provide the relevant information to the TEC (including evidence of approval from the quality assurance body) to enable the TEC to determine whether or not to approve the change; and
- c) obtain approval from the TEC to make the significant change.

#### *Definition of minor change*

For the purposes of this condition, a "minor change" to a qualification is a change that does not change the size, level, core content, or EFTS value of the qualification.

#### *Definition of significant change*

For the purposes of this condition, a "significant change" to a qualification is a change to:

- a) the EFTS value of the qualification; or
- b) the total number of credits in the qualification; or
- c) the timeframe to complete the qualification; or
- d) the level of the qualification in the New Zealand Qualification Framework; or
- e) the location or locations at which the qualification is delivered;
- f) or a change to the delivery mode of the qualification; or
- g) the number of courses that each student is expected to undertake to achieve the qualification; or
- h) pre-requisite requirements.

### **YG007: TEO to ensure Youth Guarantee programme is eligible**

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

This condition applies to a TEO funded to deliver Youth Guarantee programmes other than those for the Ministry of Education's secondary-tertiary partnership pilot programme.

The TEO must ensure that a programme in which an eligible student is enrolled is and continues to be a programme that:

- a) leads to the award of a qualification, that is:
  - (i) the National Certificate of Educational Achievement (NCEA) at level 1, 2, or 3 on the NZQF; or
  - (ii) a National or New Zealand Certificate at levels 1, 2, or 3 on the NZQF; or
  - (iii) that comprises part of a recognised pathway (as determined by the NZQA) towards one or more vocational qualifications at level 4 on the NZQF; and

- b) includes literacy and numeracy provision; and
- c) if it leads to a level 1 or 2 NCEA qualification, is aligned to the Vocational Pathways.

**YG008: TEO participating in pilot programme to ensure programme is eligible**

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

This condition applies to a TEO funded to deliver Youth Guarantee programmes as a part of the Ministry of Education's secondary-tertiary partnership pilot programme.

The TEO must ensure that a programme in which an eligible student is enrolled is and continues to be a programme:

- a) that delivers no more than 10.4 hours of provision to any individual student per week; and
- b) in which the enrolment of each student is not more than 0.35 EFTS; and
- c) that leads to the award of a National Certificate of Educational Achievement (NCEA) level 2 qualification, aligned to at least one Vocational Pathway; and
- d) that includes literacy and numeracy provision.

**YG009: TEO not to refer a student to a TEO to participate in pilot programme**

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

This condition applies to a state school or state integrated school that is funded to deliver Youth Guarantee programmes other than those for the Ministry of Education's secondary-tertiary partnership pilot programme.

The school must not refer a student to a TEO to participate in the Ministry of Education's secondary-tertiary partnership pilot programme.

**YG010: TEO to ensure student enrolled in Youth Guarantee programme is eligible**

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

This condition applies to a TEO funded to deliver Youth Guarantee programmes other than those for the Ministry of Education's secondary-tertiary partnership pilot programme. The TEO must ensure that each student who is enrolled in a Youth Guarantee programme is and continues to be:

- a) a domestic student as defined in section 159 of the Education Act 1989; and
- b) studying at least 50% of a full time, full year enrolment; and
- c) not also enrolled in a secondary school, unless the student is participating in Youth Guarantee provision for which the school is funded; and
- d) either:
  - (i) 16 to 19 years of age (inclusive) at the time he or she commences the programme; or
  - (ii) 15 years of age at the time he or she commences the programme, and has an early leaving exemption from his or her school.

**YG011: TEO not to enrol student in more than 2 EFTS of Youth Guarantee provision**

This condition is imposed under sections 159YC(2)(a) and 159YC(2)(b) of the Education Act 1989.

This condition applies to a TEO funded to deliver Youth Guarantee programmes other than those for the Ministry of Education's secondary-tertiary partnership pilot programme.

The TEO must not enrol a student:

- a) in more than 1 EFTS of Youth Guarantee provision in any calendar year; and
- b) in more than 2 EFTS of Youth Guarantee provision in total over the period of their enrolment.

**YG012: TEO participating in pilot programme to ensure student enrolled in Youth Guarantee programme is eligible**

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

This condition applies to a TEO funded to deliver Youth Guarantee programmes as a part of the Ministry of Education's secondary-tertiary partnership pilot programme.

The TEO must ensure that each student who is enrolled in a Youth Guarantee programme is and continues to be:

- a) a domestic student as defined in section 159 of the Education Act 1989; and
- b) 16 to 19 years of age (inclusive) at the time he or she commenced the programme; and
- c) currently enrolled in a school approved by the Ministry of Education to participate in the secondary-tertiary partnership pilot programme; and
- d) enrolled in no more than 10.4 hours per week in a secondary-tertiary partnership pilot programme.

**YG013: TEO participating in pilot programme to ensure student enrolled in no more than two years of provision**

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

This condition applies to a TEO funded to deliver Youth Guarantee programmes as a part of the Ministry of Education's secondary-tertiary partnership pilot programme.

The TEO must not enrol an eligible student in more than 2 years of secondary-tertiary partnership pilot programme provision.

**YG014: TEO not to enrol student in Youth Guarantee programme who has received the total allowed Youth Guarantee provision**

This condition is imposed under section 159YC(2)(b) of the Education Act 1989.

This condition applies to a TEO funded to deliver Youth Guarantee programmes other than those for the Ministry of Education's secondary-tertiary partnership pilot programme.

The TEO must not enrol a student in a Youth Guarantee programme if that student has already received 2 EFTS of Youth Guarantee provision at that TEO.

For the avoidance of doubt, for the purposes of this condition, a student's participation in the Ministry of Education's secondary-tertiary partnership pilot programme does not contribute towards the total EFTS value of Youth Guarantee provision that the student has received.

**YG015: TEO not to charge tuition fees or compulsory course costs**

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must:

- a) not charge any tuition fees or compulsory course costs to a student; and
- b) pay for the necessary equipment, infrastructure and hardware required to deliver a particular programme; and
- c) not require the costs of the provision of essential equipment, including computers, to be met through the "course-related costs" component of the Student Loan Scheme.

For the purposes of this condition, "equipment, infrastructure and hardware":

- a) refers to items that can be used by successive intakes of students; and
- b) does not include personal items that are provided for individual student use and that the TEO does not retain for the next intake of students.

**YG016: TEO to limit number of students who already hold a qualification at level 1 and 2 on the NZQF**

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must ensure that, in relation to all new enrolments, students who already hold a qualification at level 1 or 2 on the NZQF do not comprise more than 20% of the TEO's enrolment at that level.

**YG017: TEO to ensure transport funding is only used to pay for actual cost of transport**

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must ensure that transport assistance funding and exceptional circumstances transport assistance funding is only used to pay for the actual cost of transport incurred by the TEO or each student to whom it is paid.

The TEO should reimburse each student within a reasonable time after the student has incurred the cost.

**YG018: TEO to keep records of expenditure and transport assistance**

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must keep records of its expenditure of transport assistance funding, including any expenditure of exceptional circumstances transport funding.

If the TEO supplies transport to students, the records that the TEO must keep in respect of each student that receives transport include:

- a) a daily travel logbook that sets out the kilometres travelled by the TEO in relation to each student; and
- b) the source of funding for each student's enrolment at the TEO (for example, whether a student is enrolled in a Youth Guarantee funded programme, or another course).

If transport assistance funding, including exceptional circumstances transport funding, is paid directly to a student, the records must state:

- a) the amounts paid to each student; and
- b) the total amount that the TEO reimbursed students for transport.

**YG019: TEO not to over-deliver level 3 EFTS**

This condition is imposed under section 159YC(2)(b) of the Education Act 1989.

The TEO must not deliver more EFTS for qualifications at level 3 on the NZQF than the EFTS specified in the TEO's Youth Guarantee Mix of Provision in its Investment Plan.

**YG020: TEO to use literacy and numeracy assessment tool**

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must use the Literacy and Numeracy for Adults Assessment Tool to:

- a) identify the literacy and numeracy needs of each student; and
- b) measure each student's progress.

For the purposes of this condition, the TEC requires that when a TEO delivers a qualification in ESOL in 2015, the TEO must use Starting Points to assess each learner's literacy and numeracy needs and to assess their progress. From 2016 TEOs must use the new Starting Points option(s) within the Literacy and Numeracy for Adults Assessment Tool.

TEOs are not required to use the Literacy and Numeracy for Adults Assessment Tool for Te Reo Maori qualifications.

**YG021: TEO to meet minimum performance standards**

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must meet any minimum performance standards specified by the TEC.

**YG022: TEO not to subcontract delivery**

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must not subcontract delivery of Youth Guarantee programmes unless the subcontracting has been approved by the TEC.

**YG023: TEO not to use other funding from the Crown to fund Youth Guarantee programmes**

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must:

- a) not (without the TEC's prior written consent) seek or obtain any funding from any Crown source (including a Crown entity or a company wholly owned by the Crown) other than the TEC to fund provision, programmes or activities that receive Youth Guarantee funding; and
- b) notify the TEC immediately if it becomes aware of any circumstances that might result in a breach of this condition.

#### **YG024: TEO to use funding responsibly**

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO 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 the public funds.

#### **YG025: TEO not to claim funding for recognised prior learning**

This condition is imposed under section 159YC(2)(b) of the Education Act 1989.

The TEO must not claim funding for recognised prior learning credited to a student.

To ensure that the TEO is able to comply with this condition, the TEO must:

- a) ask each student to specify prior learning he or she has undertaken; and
- b) before admitting each student into a Youth Guarantee funded programme, review that information as it relates to each student; and
- c) retain documents that confirm that each student has demonstrated the required knowledge or skill;
- d) if a course contains content or learning for which a student has previously been credited:
  - (i) calculate the EFTS factor of the units previously credited to the student, and subtract that factor from the standard course factor of the course in which the student is enrolled ("the revised EFTS factor figure"); and
  - (ii) submit the revised EFTS factor figure into the enrolment file of the SDR, in the "FACTOR" field in respect of the relevant student; and
- e) if a student requires further learning to complete a qualification, ensure that the student only completes a course that he or she has not yet passed.

For the avoidance of doubt, recognised prior learning does not apply to repeated learning undertaken because the relevant quality assurance body requires students to periodically repeat training.

#### **YG026: TEO to repay over-funding**

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

If the TEO receives Youth Guarantee funding that is greater than it should have been, or that the TEO was not entitled to receive, the TEO must treat the amount of overfunding 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.

Definition of funding that is greater than it should have been

For the purposes of this condition, and without limiting the meaning of "was not entitled to receive", a TEO will have received funding that was greater than it should have been:

- a) if there is a difference between the value of EFTS delivered by the TEO (as reported in the December SDR) and the amount of funding approved in the TEO's Investment



Plan (in that situation, the TEC will recover all unused Youth Guarantee funding up to 100% of the amount of funding approved in the TEO's Investment Plan); or

- b) if the TEO has claimed funding in respect of a student in breach of condition YG011, YG013, or YG014.

For the avoidance of doubt, over-funding will be recovered for all components of Youth Guarantee funding, including any transport assistance funding.

**YG027: TEO to repay funding following revocation of funding approval**

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

If the TEC, in accordance with s159YG of the Education 1989, suspends or revokes some or all of a TEO's funding paid through Youth Guarantee before that funding has been used or contractually committed towards the purposes for which it was provided, the TEO must treat the unexpended or uncommitted portion of the 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.