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Tēnā koe [name of Chief Executive]

### Fee payments to tertiary education organisations for targeted training and apprenticeships funded through the SAC level 3 and above on the New Zealand Qualifications Framework Fund

1. We are pleased to confirm the payments that the Tertiary Education Commission (we/us) will make to [name of PTE] (you) from 1 July 2020 for targeted training and apprenticeships that are funded through the Student Achievement Component (SAC) level 3 and above on the New Zealand Qualifications Framework (NZQF) Fund.
2. This letter sets out the terms and conditions on which we will make payments to you to compensate you for the fees that you are required under the conditions imposed on your SAC level 3 and above on the NZQF Fund funding not to collect from students we have determined to be eligible for fees-free targeted training and apprenticeships (**eligible students**).
3. We are providing the payments to you on behalf of the Crown, from 1 July 2020 as compensation for fees forgone by eligible students who commence an eligible programme at your organisation.
4. This year, the TEC is posting your allocations online. You can view your Free Trades Training allocation on [Ngā Kete](#), under My Allocations and Payments.
5. In consideration for us agreeing to pay compensation to you in respect of fees that would otherwise be payable by eligible students, you agree to the terms and conditions set out in this letter.
6. Please confirm your acceptance of these terms and conditions by:
  - (a) signing a copy of this letter under the heading "Acceptance of all of the terms and conditions of payment" on page 11; and
  - (b) initialling each page, and returning the signed copy to us ([customerservice@tec.govt.nz](mailto:customerservice@tec.govt.nz)) on or before Monday 6 July 2020. You must use the subject 'Your [Edumis] – Free Trades Training Agreement' in your email communication.



7. We will make the first payment to you no later than 10 working days following receipt of your acceptance.
8. This agreement applies until 31 December 2020. A new agreement will be provided to cover payments for eligible students from 1 January 2021.

#### **Purpose of fees-free targeted training and apprenticeships fund**

9. The purpose of the Targeted Training and Apprenticeships Fund (TTAF), which takes effect from 1 July 2020, is to support New Zealand's economic recovery by making targeted areas of vocational education and training at sub-degree level fees-free until 31 December 2022. This is in response to the impact of COVID-19 on the labour market and industry skill needs.
10. The aims of the TTAF are to:
  - (a) support all apprentices to continue their training and support employers to continue to invest in skills development for their apprentices during the economic difficulties and uncertainty caused by COVID-19;
  - (b) make programmes free for learners in targeted areas, to support particular industry skill needs where demand from employers will continue, or be part of the economic recovery;
  - (c) support and encourage people of all ages to undertake targeted vocational education and training programmes within TTAF to encourage people of all ages into areas of study or training that will give them better employment prospects as New Zealand recovers from the impact of COVID-19.
11. In these terms and conditions, we refer to the funding that you will receive from TTAF for fees on behalf of eligible students as "Free Trades Training".

#### **Process**

##### *Determining eligibility of programme or qualification*

12. An eligible programme or qualification is a programme or qualification that:
  - (a) is described in clauses 13 and 14; and
  - (b) is delivered in accordance with clause 15.
13. A programme or qualification will be eligible for fee support through the Free Trades Training initiative if it is one of the following:
  - (a) a managed apprenticeship that:
    - (i) is funded under the SAC Level 3 and above on the NZQF Fund; and

- (ii) meets the managed apprenticeship definition in the Single Data Return Manual; and
  - (iii) is a sub-degree programme; and
  - (iv) was delivered and reported as Managed Apprenticeships delivery in the Single Data Return before 1 June 2020 by you, or has been determined by the TEC to be an eligible programme; and
  - (v) is not otherwise excluded from being an eligible programme.
- (b) a programme or qualification that is funded through the SAC Level 3 and above on the NZQF Fund and is:
- (i) one of the following types of qualifications or programmes:
    - (1) New Zealand Certificates and National Certificates at levels 3 to 6 on the NZQF
    - (2) New Zealand Diplomas and National Diplomas at levels 5 to 7 on the NZQF
    - (3) micro credentials
  - (ii) in a target industry area (see clause 14); and
  - (iii) a sub-degree qualification or programme; and
  - (iv) at level 3-7 on the NZQF; and
  - (v) not a managed apprenticeship; and
  - (vi) not otherwise excluded from being an eligible programme.
- (c) study or training, that is funded through the SAC Level 3 and above on the NZQF Fund, and that is not a programme or qualification that is described in paragraphs (a) or (b), where:
- (i) the study or training is within a target industry area (see clause 14);
  - (ii) the study or training is one of the of the following:
    - (1) a training scheme;
    - (2) a TEO-specific qualification;
    - (3) a short credit programme;

- (4) any other programme funded through the SAC Level 3 and above on the NZQF fund; and
  - (iii) we have determined that the following training or study is an eligible programme or qualification.
- 14. For the purposes of clause 13, the target industry areas are:
  - (a) primary industries, including agriculture, horticulture and viticulture, fisheries (including aquaculture) and forestry;
  - (b) construction, including building, plumbing, and civil engineering;
  - (c) community support, including youth work, care for the elderly, care for people with disabilities, counselling, interpreting, and community health;
  - (d) manufacturing and mechanical engineering and technology;
  - (e) electrical engineering; and
  - (f) road transport (vehicle operations only).
- 15. We may decline to provide fees support to you as compensation for fees forgone where we consider that a student is enrolled in a course that would otherwise be eligible for fees support under the Free Trades Training initiative, but has been enrolled in that course to contribute to their achievement of a qualification or programme that is not eligible for fee support under the Free Trades Training initiative.
- 16. To be eligible for fees support under the TTAF, delivery of the courses that comprise a programme or qualification must:
  - (a) commence on or after 1 July 2020; or
  - (b) have commenced any time in the period 1 May 2020 to 30 June 2020, and 33% or more of delivery occurs after 1 July 2020; or
  - (c) have commenced any time in the period 1 January 2020 to 30 April 2020, and 75% or more of delivery occurs after 1 July 2020; or
  - (d) have commenced in the period 1 January 2020 to 30 April 2020, and 50% or more, but 75% or less of delivery occurs after 1 July 2020 (see clause 17); or
  - (e) have commenced shortly before 1 July 2020, and continue after 1 July 2020, and we have determined that the fees for the programme or qualification are eligible to be paid under the TTAF; or

- (f) have commenced before 1 July 2020, and continue after 1 July 2020, and we have determined that the fees for the programme or qualification are eligible to be paid under the TTAF, taking into account the following principles:
  - (i) the intention of the TTAF policy is to cover fees for all eligible programmes from 1 July 2020;
  - (ii) fee support under the TTAF should be available for courses where a significant component of the course is delivered after 1 July 2020; and
  - (iii) where possible, the administrative burden to tertiary education organisations and the TEC in processing fee refunds should be minimised.

- 17. In the case of a course to which paragraph 16(d) applies, the TEC will compensate you for 50% of the student's fees for an eligible programme or qualification.

#### *Determining eligibility of each student*

- 18. Every student who is enrolled in an eligible programme is eligible to have their fees paid under the TTAF if the student meets the learner eligibility criteria for SAC Level 3 and above on the NZQF Fund funding.
- 19. If you enrol an eligible student in an eligible programme, we will make payments to you, to compensate you for forgoing fees that would otherwise be payable by the eligible student.

#### *Condition imposed on your SAC level 3 and above on the NZQF Fund funding*

- 20. We will make payments to you in respect of fees that would otherwise be payable by eligible students. As specified in the condition imposed on your SAC level 3 and above on the NZQF Fund funding, you are prohibited from charging an eligible student an amount for fees otherwise payable by the student, if we have advised you that we will compensate you for that amount in respect of fees forgone.

#### *Payments*

- 21. Each quarter (as a minimum) you will receive a payment from us. Each payment will be based on historical and existing data estimating the fees for eligible students.
- 22. We will calculate a 6 month allocation for 2020 (1 July 2020 to 31 December 2020). We will calculate your allocation in accordance with the Free Trades Training allocation methodology published on our website.
- 23. The allocation will be paid in two instalments:
  - (a) in July 2020, or 10 working days following receipt of your acceptance of these terms and conditions (whichever is later), we will pay:

- (i) 50% of the part of your allocation that relates to courses starting on or after 1 July 2020; and
    - (ii) 100% of the part of your allocation that relates to courses that started before 1 July 2020 ; and
  - (b) in October 2020, we will pay the remaining 50% of the part of your allocation that relates to courses starting on or after 1 July 2020.
24. We will make adjustments to your allocation and payments, as required, based on enrolments and reconciliations. We may:
- (a) increase the payments;
  - (b) decrease the payments; or
  - (c) if we have overpaid, require you to repay to us the amount we specify.
25. You may ask us to review a payment or your allocation if:
- (a) you consider that a payment you receive from us in respect of any eligible student undertaking an eligible programme is inaccurate; or
  - (b) you consider that your allocation is incorrect.
26. We may:
- (a) decide whether or not to review the payment or allocation;
  - (b) if we review the payment or allocation, decide whether or not to increase or decrease the payment or allocation;
  - (c) if we consider that the payment or allocation should be increased, give you an additional payment; and
  - (d) if we consider that the payment or allocation should be decreased, set-off the amount identified against your future payments.
27. The extent to which you have received funding from Free Trades Training that was greater or less than it should have been will be calculated after the submission of the December 2020 SDR in accordance with the Free Trades Training recovery methodology that will be published on our website no later than December 2020.

## **Conditions**

### *Reporting and fees*

28. Fees for eligible students must only relate to:
- (a) compulsory tuition fees;
  - (b) compulsory course costs, which may only include:

- (i) examination fees;
  - (ii) material charges;
  - (iii) costs of field trips;
  - (iv) costs associated with the compulsory purchase of equipment or books through the TEO with which the student is enrolled; and
  - (v) other charges associated with a course; and
- (c) compulsory student services fees.
29. To avoid doubt, the following items are not fees:
- (a) the cost of returning exam scripts or exam / assessment recounts;
  - (b) international handling charges for domestic students (defined in section 159 of the Education Act 1989) who are living overseas and studying extramurally;
  - (c) accommodation charges other than those incurred on a field trip;
  - (d) bond payments;
  - (e) administrative fees, or programme charges; and
  - (f) vetting fees.
30. We are only liable to pay a fee if:
- (a) it is specified in the SDR data that you provide to us as a condition of your SAC Level 3 and above on the NZQF Fund funding, and
  - (b) that fee is equal to, or less than, the fee that is recorded in Services for Tertiary Education Organisations (STEO);
  - (c) you charge that fee to every student in the same circumstances (whether or not they are eligible for Free Trades Training) who is enrolled in the same course or programme; and
  - (d) that fee complies with the fee regulation requirements set out as conditions on your SAC level 3 and above on the NZQF Fund funding.
31. We are only liable to make a payment to you in respect of an eligible student's compulsory student services fee if that fee is consistent with the ministerial direction on compulsory student services fees in effect.
32. If an eligible student withdraws from a course, you must notify us of the withdrawal in the next SDR that you are required to send us.

33. For the purposes of clause 32, a “withdrawal” is when a student ceases to participate in a course, programme or training scheme (regardless of whether they have been refunded any fees), either:
  - (a) by providing notice to your organisation that they wish to withdraw participation; or
  - (b) as a result of non-attendance or non-participation for any reason.
34. You must immediately notify us if you become aware of information that indicates that an eligible student should not have been determined by us to be eligible.
35. You must provide us with any information we request, by the time we specify, to enable us to determine whether you are complying with the terms and conditions specified in this letter.
36. You must refund the amount of any fees collected from students, or from others on behalf of students, if we pay that amount in respect of the fees under this agreement, as soon as possible. If you are contractually obligated to make refunds to another party (including, in the case of fees covered by the Student Loan Scheme, to the Ministry of Social Development), you must refund that party as soon as possible.
37. If fees are not being charged to, or fees have been reduced for, students as at 1 July 2020, no amount will be payable, or only the reduced amount will be payable, except if, on application, we approve payment of fees, or a higher amount than the reduced amount, under the TTAF in the following circumstances:
  - (a) you reduced or removed your fees as a result of COVID-19 during 2020; or
  - (b) you have had, or anticipate, a significant recent reduction in revenue that requires you to begin charging fees, or increase your fees, and you are charging fees for all or most of your delivery; or
  - (c) you have had, or anticipate, a significant recent reduction in revenue, and the decision to begin charging or increasing fees relates to a specific reduction in revenue that has occurred as a result of due to external persons or entities stopping or reducing payments to the TEO as a result of you receiving TTAF funding; or
  - (d) you provide us with another reason for beginning to charge fees, or increasing fees, and we are satisfied that there are circumstances that justify such a change.
38. We will only make payments to you in the circumstances described in clause 37 if you have provided us with sufficient evidence to allow us to be satisfied that one the specified circumstances applies.



39. Nothing in this agreement affects any obligations you have to notify us of students that are eligible for fees free under the fees free tertiary education initiative.

#### *Monitoring*

40. We will actively monitor:
- (a) your compliance with the terms and conditions specified in this letter;
  - (b) the information you provide us to confirm the eligibility of students;
  - (c) if a student whose fees are paid under the TTAF either has previously been enrolled, or, in the absence of TTAF funding, would have been enrolled, in a course that receives funding under the Māori and Pacific Trades Training or Youth Guarantee Funds, that the student receives or continues to receive the same level of support they would have if they were enrolled in a course that receives funding under those funds;
  - (d) significant enrolment growth;
  - (e) enrolment transfers;
  - (f) withdrawals;
  - (g) retention of students;
  - (h) valid domestic student enrolments; and
  - (i) any other substantial changes in the nature of your delivery.
41. We will undertake our monitoring activities through:
- (a) reviewing and analysing the information you provide us;
  - (b) reviewing and analysing information we receive from other sources;
  - (c) auditing your compliance with the terms and conditions set out in this letter through our regular audit processes; and
  - (d) initiating an investigation if we become concerned about anything that we think may put students' interests or public money at risk.
42. You must work collaboratively with us, if required by us, to resolve any issues that may arise if there are substantial changes in the nature of your delivery.

#### *Systems*

43. You must put in place appropriate systems to ensure that, if we have paid any amount in respect of an eligible student, you do not charge the student in respect of any amount paid by us, in accordance with your funding conditions.
44. You must inform each eligible student as to:
- (a) the courses in which the student is enrolled; and

- (b) the amount of fees we have paid you on behalf of the student.
45. The information you are required to provide in paragraph 44(a) and 44(b) must be the most accurate information you have at the time it is provided.

#### *Privacy*

46. You must ensure that each student who you enrol and who receives fees support through the TTAF is made aware that:
- (a) you will disclose their personal information to us to enable us to operationalise the Free Trades Training; and
  - (b) we will disclose their personal information to you to enable you to operationalise the Free Trades Training;
  - (c) we will disclose their personal information to the Ministry of Education, New Zealand Qualifications Authority, the Ministry of Social Development, and Inland Revenue to enable those agencies to operationalise Free Trades Training (and if the student is also eligible for the Apprenticeship Boost Initiative, to operationalise that initiative).

#### *In-year adjustments*

47. If we receive information that a student should not have been determined by us to be eligible, we will advise you as soon as practicable.
48. We are not liable to pay you fees on behalf of a student who should not have been determined by us to be eligible if you have failed to comply with a condition in this Agreement (such as the requirement to notify us immediately if you become aware of information that indicates that a student should not have been determined by us to be eligible).
49. If paragraph 48 applies, you may invoice the student for the total fees, and their component parts, that the student is liable to pay.
50. We are not liable to pay you fees on behalf of a student to the extent that their fees have been paid through the fees free tertiary education initiative.
51. If you receive a payment that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-payment as a debt due to the Crown that:
- (a) is repayable on demand; and
  - (b) may be set-off against any payment, or any sum of money payable by us to you.
52. Without limiting paragraph 51, we will consider that you have received a payment that was greater than it should have been, and recover the relevant amount in accordance with paragraph 51 if:
- (a) we become aware that the correct fee is less than a fee recorded in STEO, and as a result, we have paid the incorrect amount;

- (b) you report a fee (or part of a fee) that you do not charge to every student who is in the same circumstances and enrolled in the same course;
- (c) you report a fee that does not comply with any fee regulation requirements set out as conditions on your SAC level 3 and above on the NZQF Fund funding or in any other document specified by us; or
- (d) you report a fee and we determine that it is not consistent with the ministerial direction on compulsory student services fees in effect.

**Contact person**

- 53. If you have any questions, please contact your key contact or the Customer Contact Group, [customerservice@tec.govt.nz](mailto:customerservice@tec.govt.nz)
- 54. Further information on the Free Trades Training initiative can be found [here](#).

**Acceptance of all of the terms and conditions of payment**

- 55. Please confirm your acceptance of all of the terms and conditions specified in this letter by printing two copies of this letter and signing both copies in the space provided below, initialling each page, and returning a signed copy to us on or before 6 July 2020. This should be completed by the Vice Chancellor, Chair, or Chief Executive of your organisation, or the person with the delegated authority to sign the letter.

**Signature:**

**Name:**

**Organisation:**

**Date:**

- 56. Please return to the Customer Contact Group, [customerservice@tec.govt.nz](mailto:customerservice@tec.govt.nz) on or before 6 July 2020. You should keep the other copy for your records. You must use the subject 'Your [Edumis] – Free Trades Training Agreement' in your email communication.

Nāku noa, nā

**Gillian Dudgeon**  
Deputy Chief Executive, Delivery