

Unified Funding System: Non-degree delivery at levels 3-7 and all industry training up to level 7 on the NZQF Fund

Purpose of the unified funding system for vocational education and training

The unified funding system is designed to incentivise providers to:

- (a) support learners to transition to work-based training,
- (b) enhance support for employers,
- (c) increase and improve success and support for all learners,
- (d) respond to national and regional skills priorities, and
- (e) ensure a strong and sustainable regional network of provision.

Purpose of non-degree delivery at Levels 3-7 and all industry training up to level 7 on the NZQF (DQ3-7) funding

The DQ3-7 Fund comprises two components:

- (a) the Delivery Component: The purpose of the Delivery Component is to contribute towards the costs of providing vocational education and training; and
- (b) the Learner Component: The purpose of the Learner Component is to support TEOs to put learners at the centre of their organisation and to improve outcomes for learners. It supports all learners, particularly those learners who have traditionally been underserved by the education system. It recognises that there are higher costs involved in adapting education delivery and support to meet all learners' unique needs.

Flexible funding for DQ3-7 Fund Delivery Component funding

- (a) We will allocate you additional DQ3-7 Fund Delivery Component funding to that specified in your Funding Confirmation Letter if:
 - (i) you are a “qualifying TEO”, which means you:
 - A. have a New Zealand Qualifications Authority (NZQA) External Evaluation and Review (EER) status of Category 1 or 2¹ (except for universities and Te Pūkenga); and
 - B. are approved by us to deliver a minimum of 20 equivalent full-time learners (EFTLs) in 2023; and
 - C. as applicable:
 - i. for DQ3-7 (non-degree) *provider-based* and *provider-based: extramural* modes of delivery, have a course and/or credit completion rate of 70% or higher for provision funded under SAC at Levels 3 to 7 (non-degree) in 2022;
 - ii. for DQ3-7 (non-degree) in the *work-based: pathway to work, work-based or assessment and verification* modes of delivery, have a course and/or credit completion rate of 70% or higher for provision funded as one of these modes of delivery under the DQ3-7 (non-degree) in 2023.

¹ EER status is determined by the most recently published full EER report relating to you.

- (ii) are a tertiary education institution (TEI) or private training establishment (PTE) and the value of provision you actually deliver (as determined by us), as measured in dollars, is greater than the value of your approved funding allocation.
- (b) If you are a TEO that received arranging training functions from TITOs in the 2022 calendar year, and you do not meet the requirement set out in clause (a)(i)(C)(i) we will consider you for flexible funding on an individual basis.
- (c) The additional DQ3-7 Fund Delivery Component funding available to be allocated is up to the following limits, either:
 - (i) 2% of your approved funding allocation; or
 - (ii) 10 EFTLs (we will calculate 10 EFTLs of delivery using the average EFTLs rate of your total actual delivery as determined by us), whichever is greater.
- (d) Any additional funding for DQ3-7 Fund Delivery Component funding will be calculated using information provided in the December Single Data Return (SDR) and the Industry Training Register (ITR) (as at the 1st April data cut-off).
- (e) We may establish criteria to allocate DQ3-7 Fund Delivery Component funding above the additional funding limits described in paragraph (b) above, if we have assessed that we have sufficient DQ3-7 Fund Delivery Component funding available to provide funding above those limits.

The following Conditions apply, under section 426 of the Education and Training Act 2020, to the DQ3-7 Fund Funding you receive for the Funding Period, in addition to the Base Funding Conditions set out in this Funding Conditions Catalogue, any organisation-specific conditions set out in your Funding Confirmation Letter, and the Conditions in the Education and Training Act 2020.

1. Organisation eligibility

- (a) You must continue to be:
 - (i) a TEI, namely:
 - A. a university; or
 - B. Te Pūkenga – New Zealand Institute of Skills and Technology (Te Pūkenga); or
 - C. a wānanga; or
 - (ii) a PTE; or
 - (iii) an eligible organisation (as defined in the Determination of Design of Funding Mechanism: Industry Training Fund (ITF)) that received funding under the ITF direct funding scheme in 2022.
- (b) If you are a wānanga, or PTE, you must continue to be quality assured by the NZQA.
- (c) If you are Te Pūkenga or one or more of the subsidiaries of Te Pūkenga, Te Pūkenga or the relevant subsidiaries of Te Pūkenga are quality assured by the NZQA.
- (d) If you are a university, you must continue to be quality assured by the New Zealand Vice-Chancellors' Committee (NZVCC).
- (e) If you are an eligible organisation under clause 1(a)(iii), you must:
 - (i) continue to meet the criteria you met in 2022 to be eligible to receive funding under the direct funding scheme in the Industry Training Fund; and

- (ii) be working towards being quality assured by the NZQA as a PTE during 2023.
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2. Supply and use of information

2.1 Single Data Return (SDR)

- (a) You must:
 - (i) supply to us information about each learner enrolled in a course by completing the fields in the SDR in accordance with the SDR Manual and its appendices; and
 - (ii) submit the information on or before the date we specify through the Services for Tertiary Education Organisations (STEO) website. For more information, please refer to the SDR Manual and SDR Appendices.
- (b) You must supply to us a forecast of your likely DQ 3-7 Fund funded Equivalent Full-Time Student (EFTS) in the format specified by us.
- (c) You must follow the process set out in Conditions 2.1(a) and (b) unless we are satisfied that there are special circumstances that justify using an alternative process, and authorise you in writing to follow a different process specified by us.

2.2 Industry Training Register (ITR)

- (a) You must:
 - (i) supply to us information about each learner undertaking learning in the *work-based: pathway to work, work-based* and *assessment and verification* modes of delivery, including New Zealand Apprentices, enrolled in a programme or qualification by completing the fields in the ITR; and
 - (ii) submit the information through the ITR on or before the date which is 90 days after the training commenced; and
 - (iii) ensure that each industry trainee who is volunteering is identified as a volunteer through the ITR. For more information about using the ITR, please refer to the ITR User Guide or the ITR schema definition document.
 - (b) You must follow the process set out in Condition 2.2(a) unless we are satisfied that there are special circumstances that justify using an alternative process, and authorise you in writing to follow a different process specified by us.
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3. Confirmed learner enrolments

You must ensure that your SDR accurately records all “confirmed learner enrolments” where fees apply. A confirmed learner enrolment occurs where:

- (a) a learner and your organisation have entered into an enrolment or tuition contract, training agreement, or other arrangement and the learner (or their employer, as the case may be) has paid or committed to pay their fees; and
- (b) the period during which the learner is entitled to Withdraw from a programme or credential, and/or component part, and the learner or employer receive a full refund of fees (less any applicable administration fee) has passed; and
- (c) the learner has not received a full refund of fees (less any applicable administration fee).

4. Withdrawal of enrolments

4.1 Withdrawal date for TEs

- (a) If you are a university, wānanga or Te Pūkenga, you may set a Withdrawal date, being the specified period during which a learner can Withdraw and receive a full refund of fees, course costs and compulsory learner service fees, provided that date is not earlier than the Withdrawal date in Condition 4.1(b).
- (b) If you do not set a Withdrawal date, the Withdrawal date will be the date on which 10% (rounded up to the nearest whole day) or one month of the course for which a learner is enrolled has passed, whichever is the smaller. The Withdrawal date must be determined by calculating the number of sequential calendar whole days (including weekends and public holidays) from the start date of the course.

4.2 Withdrawal date for PTEs

If you are a PTE, you must comply with the Withdrawal dates and refund period entitlements set out in sections 355 to 360 of the Education and Training Act.

4.3 Reporting Withdrawals to the Ministry of Social Development (StudyLink)

In addition to any other Conditions requiring you to report Withdrawals of enrolments, you must report the Withdrawal of learners in *provider-based* and provider-based extramural modes of delivery to the Ministry of Social Development (StudyLink) within five working days of each Withdrawal. This is to enable learner loans and learner allowances to be cancelled as soon as possible. For the avoidance of doubt, delivery reported via the SDR under Source of Funding code 11 (SoF 11) is excluded from this Condition.

4.4 Other obligations to report Withdrawals

For the avoidance of doubt, completing the SDR under Condition 2 does not discharge your other obligations to report Withdrawals. These obligations include reporting (where applicable) to: Immigration New Zealand (for international learners), the Ministry of Social Development (StudyLink) (for Learner Loan and Learner Allowance recipients) and Trustees administering fee protection mechanisms (for international learners and all PTE learners).

4.5 Refunding fees for Withdrawals

If fees are to be refunded to a learner or employer on the basis that the learner withdrew before the Withdrawal date, you must, as soon as reasonably practicable, pay the refund:

- (a) to the Ministry of Social Development, if the learner paid the fees using the Student Loan Scheme; or
- (b) directly to the learner or employer.

5. Use of DQ3-7 Fund Funding for valid domestic enrolments

5.1 Valid domestic enrolments

- (a) You must ensure that DQ3-7 Fund funding is only used in respect of a learner who is a "valid domestic enrolment".
- (b) For the purposes of DQ3-7 Fund funding, the term "valid domestic enrolment" refers to the enrolment of a learner who:
- (i) is one of the following:
 - A. a Domestic Student²; or
 - B. an Australian citizen or Australian permanent resident currently residing in New Zealand; and
 - (ii) is either:
 - A. aged 16 years and over; or
 - B. aged under 16 years and meets the criteria in Condition 5.1(c); and
 - (iii) is studying in New Zealand, unless the learner meets the criteria in Condition 5.1(d); and
 - (iv) has paid or is committed to pay their fees (if fees apply), unless the learner meets the criteria in Condition 5.1(e).
- (c) A learner aged under 16 years old at the time that the programme or credential in which the learner is enrolled begins is a valid domestic enrolment if:
- (i) you are satisfied that the learner is capable of completing the academic requirements of the programme or credential in which the learner is enrolled; and
 - (ii) you have ensured that the learner has a school exemption certificate from the Ministry of Education; and
 - (iii) the learner is, or will be, enrolled in a secondary school at the time the programme or credential starts and you have ensured that the learner's principal has signed a letter that approves the programme or credential and specifies that:
 - A. the learner is not required to be absent from school during school hours; or
 - B. if the learner is required to be absent from school during school hours for more than five hours per week, the school will seek reduced funding for the learner from the Ministry of Education; and
 - (iv) the learner is, or will be, home schooled at the time that the programme or credential starts and you have ensured that the parent of the learner who is primarily responsible for the learner's home schooling has signed a letter that approves the study or training.
- (d) A learner studying outside New Zealand is a valid domestic enrolment if they meet the following criteria:
- (i) the learner meets the criteria in Conditions 5.1(b)(i), (ii) and (iv); and
 - (ii) is enrolled in a course(s) leading to the award of a recognised qualification offered by a New Zealand TEO; and
 - (iii) if the learner is studying at an overseas campus or delivery site (irrespective of whether they are enrolled at the TEO's New Zealand campus or overseas campus), the learner meets the following criteria:

²"Domestic student" means a New Zealand citizen, the holder of a residence class visa granted under the Immigration Act 2009, and the persons to be treated as if they are not international students under clause 2 of The Domestic Tertiary Students Notice 2022. A person who is enrolled in a Doctor of Philosophy (PhD) programme at a New Zealand university is a domestic student.

- A. the learner is enrolled at a New Zealand TEO in a programme leading to the award of a qualification at Level 7 on the NZQF; and
 - B. the study outside New Zealand is full time and face-to-face (ie, not an extramural enrolment) in an approved country identified on the Education New Zealand website; and
 - C. is undertaking part (but not all) of the programme outside New Zealand.
- (e) For the purposes of section 256(5) of the Education and Training Act, a learner who has not paid their fees (if fees apply) is a valid domestic enrolment if the learner's fees are paid for by their employer, you pay for the learner's fees through a scholarship, or if the learner is eligible for fees-free tertiary education, and you are prohibited from charging the learner the amount that we have paid you under Condition 8, which may be some or all of the fees.

5.2 Verification of learner eligibility

- (a) You must verify a learner's eligibility for enrolment as a valid domestic enrolment. For the following types of learners who are valid domestic enrolments under Condition 5.1, you must use one of the following verification methods below, and assess whether the learner meets the eligibility criteria as specified in Condition 5.1:

Type of learner	Verification methods
A New Zealand citizen:	<p>You must:</p> <ul style="list-style-type: none"> a) confirm the learner's citizenship status using the learner's National Learner Number (NSN); or b) receive an assertion through RealMe® that the learner was born in New Zealand (prior to 2005); or c) if the learner is in prison at the time of enrolment, receive a completed and signed Department of Corrections "Verification of legal name and New Zealand residency status" form relating to the learner; or d) sight an original or certified copy of one or more of the following documents: <ul style="list-style-type: none"> (i) a New Zealand birth certificate; or (ii) a current New Zealand passport; or (iii) an expired New Zealand passport that has not been cancelled; or (iv) a New Zealand certificate of citizenship; or e) If a learner is unable to obtain a birth certificate for the purposes of (d)(i) above, you may contact us to confirm that a whakapapa statement signed by both the learner and a kaumātua is acceptable evidence of citizenship.
A New Zealand resident:	You must sight an original or certified copy of one or more of the following documents:

	<ul style="list-style-type: none"> a) a passport with a current returning residency class visa (a passport with a visa label); or b) a passport, and letter or email, confirming current returning residency class visa (label-less visa, followed by confirmation with Immigration New Zealand, where appropriate); or c) a certificate of identity from Immigration New Zealand if the learner is a refugee.
An Australian citizen or Australian permanent resident currently residing in New Zealand:	<p>You must sight an original or certified copy of one or more of the following documents:</p> <ul style="list-style-type: none"> a) an Australian birth certificate issued before 20 August 1986³; or b) an Australian passport; or c) a passport with a current Australian resident return visa.
A dependant of diplomatic personnel:	You must sight the original or certified copy of an authorised form from the Ministry of Foreign Affairs and Trade.
Other types of valid domestic enrolments:	<p>You must ensure that a learner is either:</p> <ul style="list-style-type: none"> a) an exchange learner taking part in a New Zealand Government-approved exchange programme at a TEO; or b) a person who is enrolled in a Doctor of Philosophy programme at a New Zealand university; or c) a person who is required to be treated as if they are not international students within the meaning set out in the [<i>title of Gazette notice</i>].

(b) If a learner enrolled in the *work-based: pathway to work, work-based, or assessment and verification* mode of delivery is unable to obtain a birth certificate for the purposes of Condition 5.2(a), you may contact us to confirm that a whakapapa statement signed by both the learner and a kaumātua is acceptable evidence of identity.

(c) You must follow the process set out in Condition 5.2(a) unless we are satisfied that there are special circumstances that justify using an alternative process, and authorise you in writing to follow a different process specified by us.

(d) For the purposes of this Condition, a certified copy is a photocopy, photograph or scanned copy that has been endorsed as a true copy of the original. To be certified, the document must:

- (i) be certified by an official of the issuing authority or a person authorised by section 9(1)(a) to (h) of the Oaths and Declarations Act 1957 to make a statutory declaration, such as a Justice of the Peace, a person who is enrolled as a barrister and solicitor of the High Court, or a court official (Court Registrar or Deputy Registrar); and

³ An Australian birth certificate issued after August 1986 is not an accepted form of verification. You will need to sight the travel document which is likely to be an Australian passport.

- (ii) have the official's signature on each page, with the name and title of the official shown clearly below their signature.

5.3 Verification of learner identity

- (a) You must verify the identity of each learner enrolled in a programme or credential of more than 0.03 EFTLs⁴ and confirm whether the learner is who they say they are by doing one or more of the following:
 - (i) confirming that all data fields match the learner's NSN; or
 - (ii) receiving an assertion through the Department of Internal Affairs' RealMe® online identity verification service; or
 - (iii) if the learner is in prison at the time of enrolment, receiving a completed and signed Department of Corrections "Verification of legal name and New Zealand residency status" form relating to the learner; or
 - (iv) sighting the original or certified copy of a current passport; or
 - (v) sighting the original or certified copy of one or more of the following documents:
 - A. a birth certificate; or
 - B. a certificate of identity; or
 - C. a New Zealand certificate of citizenship; or
 - D. an expired passport that has not been cancelled; or
 - E. a current New Zealand driver licence or current New Zealand firearms licence (for *work-based: pathway to work, work-based, or assessment and verification* modes of delivery only);
- (b) You must follow the process set out in Condition 5.3(a) unless we are satisfied that there are special circumstances that justify using an alternative process, and authorise you in writing to follow a different process specified by us.
- (c) If a learner is unable to obtain a birth certificate for the purposes of Condition 5.3(a)(v)(A), you may contact us to confirm that a whakapapa statement signed by both the learner and a kaumātua is acceptable evidence of identity.
- (d) For the purposes of this Condition, a certified copy is a photocopy, photograph or scanned copy that has been endorsed as a true copy of the original. To be certified, the document must:
 - (i) be certified by an official of the issuing authority or a person authorised by section 9(1)(a) to (h) of the Oaths and Declarations Act 1957 to make a statutory declaration, such as a Justice of the Peace, a person who is enrolled as a barrister and solicitor of the High Court or a court official (Court Registrar or Deputy Registrar); and
 - (ii) have the official's signature on each page, with the name and title of the official shown clearly below their signature.

⁴ 1 EFTL is equal to 1 STM and 1 EFTS and both equate to 120 credits; 0.03 EFTL equates to 3.6 credits.

5.4 Enrolment records for valid domestic enrolments

- (a) If a learner, who is a valid domestic enrolment, is enrolled in a programme or credential of more than 0.03 EFTL DQ3-7 Fund funded by us, you must keep accurate and up-to-date records specifying:
- (i) the programme or credential (including qualification(s) and course(s) in which the learner has been admitted or readmitted); and
 - (ii) the learner's identity details, including the learner's name, date of birth, citizenship, domestic or international learner status, and residency status (if relevant); and
 - (iii) whether you have verified the learner's identity; and
 - (iv) whether you have verified that the learner is a valid domestic enrolment and/or has the appropriate learner visa; and
 - (v) the learner's NSN; and
 - (vi) the learner's previous academic achievement (if relevant); and
 - (vii) the receipt verifying that the learner has paid, or has arranged to pay (including if their employer will pay), their fees (if applicable); and
 - (viii) changes (if any) made to an enrolment; and
 - (ix) whether the learner has Withdrawn from part of their programme or credential, the date of the Withdrawal, and whether the Withdrawal was within the Withdrawal period; and
 - (x) whether a learner has been expelled from part of their programme or credential by you due to a breach of your Code of Conduct; and
 - (xi) whether a learner is on a discretionary leave of absence greater than leave normally granted under your standard minimum attendance requirements; and
 - (xii) that the learner is attending the programme or credential in which they are enrolled, or is actively involved in the programme or credential (learner attendance record); and
 - (xiii) the period for which the learner is enrolled.
- (b) You must retain each learner's records described in Condition 5.4(a) until:
- (i) at least two years after the completion of the education or training in which the learner is enrolled; or
 - (ii) if a learner Withdraws before the learner has completed their education or training, at least two years after the date of Withdrawal.

5.5 Records for work-based: pathway to work, work-based or assessment and verification modes of delivery

- (a) You must keep a record of evidence that each learner who is in a *work-based: pathway to work, work-based or assessment and verification* mode of delivery has a formal training agreement with their employer that is intended to lead to the achievement of one or more of the programmes or credentials set out in Condition 6.1.

5.6 No inducing enrolment

- (a) You must not secure or seek to secure an enrolment through offering an inducement.

- (b) Even if a learner meets the criteria specified in Condition 5.1, the enrolment is not a valid domestic enrolment if it has been secured by way of an inducement.
- (c) For the purposes of this Condition, an inducement includes any of the following, where it induces a learner to enrol:
 - (i) a financial benefit to the learner; or
 - (ii) a personal advantage to the learner; or
 - (iii) a physical item that a learner retains possession of after the course of study or training has ended.
- (d) For the purposes of this Condition, an inducement does not include:
 - (i) a scholarship, as defined below; or
 - (ii) a physical item that:
 - A. is essential for a learner to complete the compulsory requirements of their programme of study (including printed course notes, an e-reader for course notes, course-related textbooks, tools for apprenticeships); and
 - B. cannot be returned and reused for learners in subsequent intakes (for example, due to health and safety reasons; time-limited materials or materials that will be updated; or if it is not financially feasible); or
 - (iii) an item or arrangement that has been approved by us (for example, we may approve an item that has minimal residual value or useful life in the general marketplace, or items that are needed for a learner's pathway into the vocation for which study or training has been undertaken such as tools for apprenticeships); or
 - (iv) the guarantee of a job placement under the *work-based: pathway to work* mode of delivery or on the successful completion of a programme of study, backed by a partial or total money-back guarantee;
 - (v) a conditional offer of a partial refund (such as a refund for a timely or electronic enrolment); or
 - (vi) advertising or offering programmes of study where learning is undertaken in the *work-based: pathway to work* mode of delivery.
- (e) For the purposes of this Condition, a scholarship means:
 - (i) a merit scholarship (or prize) that comprises financial aid given to a learner as a result of high academic achievement exceeding that of their fellow learners or cohort; and/or
 - (ii) a needs-based scholarship that comprises financial aid given to a learner who would otherwise be significantly disadvantaged in accessing education, where the need of the learner has been demonstrated through a robust application and assessment process; and/or
 - (iii) any scholarship that:
 - A. has a clear, focused rationale for its existence; and
 - B. has a clearly identified philanthropic aim or supports study in a particular area of importance to the donor.

5.7 No private advantage

You must not restrict enrolment in a DQ3-7 Fund funded programme or credential on the basis of private advantage (for example, restricting enrolment to your employees only).

5.8 Exceeding the total annual EFTS value of the qualification for data reported through SDR

You must not seek DQ3-7 Fund funding in respect of a learner enrolled in a programme or credential that leads to the award of a qualification if the result of enrolling the learner in the programme or credential is that the total EFTS factors for all of the programmes or credentials in which the learner is enrolled in that year exceed the total annual EFTS value of the qualification, unless:

- (a) the learner, in an exceptional circumstance (such as repeating a programme or credential that they previously have not passed), has elected to exceed total EFTS value of the qualification in that year; and
- (b) you can demonstrate that the EFTS factor sought for the programme or credential adequately reflects additional teaching input, rather than additional directed study.

5.9 Funding for EFTS factor of a programme or credential for data reported through SDR

You may only seek DQ3-7 Fund funding for the EFTS factor of a programme or credential once in cases where a learner's enrolment in the programme or credential can lead to the award of two (or more) qualifications for the learner, unless you can demonstrate that additional EFTS value sought for the learner's enrolment in the programme or credential adequately reflects additional teaching input or assessment that the learner would not receive if their enrolment in the programme or credential could only lead to the award of one qualification.

5.10 Recognised prior learning

- (a) You must not seek DQ3-7 Fund funding for recognised prior learning credited to a learner. To ensure that you are able to comply with this Condition, you must:
 - (i) make any fees charged for recognition of prior learning clear and reasonable to the learner; and
 - (ii) ask the learner to specify prior learning they have undertaken; and
 - (iii) review the information provided by the learner when admitting a learner into a programme or qualification; and
 - (iv) retain documents that confirm that the learner has demonstrated the required knowledge or skill; and
 - (v) reduce the learner's fees accordingly in proportion to the recognised prior learning they have undertaken; and
 - (vi) for data reported through the SDR, adjust the programme or credential EFTL by Month in the SDR enrolment file so that you do not claim DQ3-7 Fund funding for prior learning already credited to the learner; or
 - (vii) for data reported through the ITR, adjust the programme or credential EFTL in accordance with the instructions in the ITR User Guide; and
 - (viii) where programme or credential components have been recognised for prior learning you must prorate the course EFTL accordingly and detail your calculations for each enrolment.

- (b) Recognised prior learning does not include repeated learning or training that the applicable quality assurance body requires learners to undertake periodically. If you deliver repeated learning or training for the purpose of meeting quality assurance body requirements you must retain evidence that clearly identifies:
- (i) the learning or training that the learner was required to repeat to meet quality assurance body requirements; and
 - (ii) the specific quality assurance body requirements; and
 - (iii) that you have advised the learner of the fees that you will charge for the repeated learning or training; and
 - (iv) that the learner has agreed it is necessary to repeat the learning or training.
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6. Programmes and qualifications

6.1 Approval of programmes and qualifications for Delivery Component

You must only use DQ3-7 Fund Delivery Component funding to deliver programmes or credentials that have been approved by us as required by us. To receive approval for a programme or credential, you must submit the relevant documents to us in accordance with the information on our website.

6.2 Minimum requirements for Delivery Component

- (a) You must ensure that DQ3-7 Fund Delivery Component funding is only used for:
- (i) a programme or credential:
 - A. that leads to the award of a qualification at Levels 3 to 7 on the NZQF (non-degree); and
 - B. has been endorsed by the relevant Workforce Development Council (WDC) (where appropriate); and
 - C. that has been quality assured by either NZQA or the NZVCC (where appropriate); and
 - D. where a programme or credential is quality assured by NZQA, the mode of delivery is consistent with the mode of delivery approved by NZQA as part of your approval and accreditation for the programme or credential; or
 - (ii) a programme or credential that is in line with the NZQA criteria for the approval of micro-credentials and has been approved for funding by us; or
 - (iii) part of a programme or credential, if:
 - A. it is designed to encourage entry into a full qualification or provide post-graduate skill development; and
 - B. it has a minimum of 20 credits and a maximum of 70 credits; and
 - C. the programme or credential it is part of:
 - leads to the award of a qualification at Levels 3 to 7 on the NZQF (non-degree); and
 - has been quality assured by either NZQA or the NZVCC (where appropriate); and

- where the programme is quality assured by NZQA, the mode of delivery is consistent with the mode of delivery approved by NZQA as part of the TEP's approval and accreditation for the programme.
- (iv) a programme or credential, or part of a programme or credential that:
- A. leads to the award of a qualification at Level 1 or 2 on the NZQF (non-degree); and
 - B. is predominantly completed in the *work-based* or *assessment and verification* modes of delivery.
- (e) You must ensure that the amount of delivery using DQ3-7 Delivery Component Funding towards micro-credentials is consistent with any criteria determined by us⁵ and published on website.
- (f) You must not use DQ3-7 Delivery Component Funding for any of the following:
- (i) Certificates of proficiency; or
 - (ii) Certificates of personal interest; or
 - (iii) Programme taught under contract; or
 - (iv) Community education programmes of study at TEIs.

6.3 Delivery Component Fund funding for Levels 1 to 3 on the NZQF

- (a) You must only use DQ3-7 Fund Delivery Component funding to deliver a programme or credential leading to a qualification at level 1, 2 or 3 on the NZQF if it includes embedded literacy or numeracy.
- (b) You must determine the literacy and numeracy needs of eligible learners and provide support to those learners to meet their literacy and numeracy needs in accordance with the guidelines specified by us.

6.4 Health-related professional qualifications

- (a) You may use DQ3-7 Fund Delivery Component funding for programmes, credentials, or their component parts that lead to the award of a post-entry health-related professional qualification or credential that:
 - (i) is of an academic or research nature; and
 - (ii) has a clinical component of 30% or less within the total qualification or credential.
- (b) You must not use DQ3-7 Fund Delivery Component funding for programmes, credentials, or their component parts that lead to the award of a post-entry health-related professional qualification or credential that has:
 - (i) a clinical component of more than 30% within the total qualification or credential; and
 - (ii) either:
 - A. a requirement for clinical education and training; or
 - B. an emphasis on specialist clinical professional skills.

6.5 Health and safety or regulatory compliance learning

⁵ The criteria are set out on our website: <https://www.tec.govt.nz/funding/funding-and-performance/funding/fund-finder/student-achievement-component-provision-at-level-3-and-above-on-the-nzqf-fund/qualifications-and-courses/>

- (a) You must not use DQ3-7 Fund Delivery Component funding to fund a programme or credential where a majority of the programme of study or training or the credential relates to health and safety or regulatory compliance.
- (b) When determining whether a majority of the programme or credential relates to health and safety or regulatory compliance, we will:
 - (i) exclude programmes or credentials from that calculation that are integral to the skills and knowledge recognised through the programme or credential; and
 - (ii) include the following programmes or credentials in that calculation:
 - A. discrete short packages of health and safety or regulatory compliance learning (usually under 20 credits); and
 - B. a programme or credential designed primarily to equip a participant with the skills and knowledge they need to carry out a given task or function in a manner that complies with a specific health and safety or regulatory compliance requirement;
 - C. learning that displaces the responsibility of an employer to provide the necessary training for the mitigation of health and safety, and legal risks; and
 - D. programmes or credentials that contain learning about health and safety and/or regulatory compliance that will only lead to the completion of health and safety and/or regulatory compliance components, rather than a whole qualification or credential.

6.6 New Zealand Apprenticeships and New Zealand Apprentices

- (a) You must report a programme as a New Zealand Apprenticeship if it:
 - (i) provides an entry point into an occupation to set a person up for a career in an industry; and
 - (ii) meets any regulatory requirements for entry into an occupation; and
 - (iii) requires a tripartite training agreement; and
 - (iv) contains a strong theoretical component to support further learning, as well as a practical element; and
 - (v) is directly related to the intended career; and
 - (vi) leads to either:
 - A. a qualification at Level 4 on the NZQF that has a minimum of 120 credits and, if approved by us, additional qualifications at Level 3 or level 4 on the NZQF; or
 - B. multiple qualifications that together have at least 120 credits, provided those qualifications are at Level 3 and level 4 on the NZQF, and at least 60 credits are at level 4 on the NZQF; and
 - (vii) meets any additional criteria set by us to ensure that the programme is focussed on Level 4 outcomes on the NZQF.
- (b) You must report a learner as a New Zealand Apprentice if they are:
 - (i) a valid domestic enrolment; and
 - (ii) employed in the occupation for which they are training; and
 - (iii) supported by a training plan agreed by the apprentice, the employer and the TEO arranging the training, throughout the programme of training; and
 - (iv) either:

- A. enrolled in a New Zealand Apprenticeship; or
- B. were enrolled in a Managed Apprenticeship programme or New Zealand Apprenticeship programme on 31 December 2022.

6.7 Making changes to qualifications in STEO

(a) Before making a minor change to a qualification, you must:

- (i) receive notification of change from WDC (where the qualification was developed by a WDC); and
- (ii) obtain approval for the minor change from the relevant quality assurance body (if required), that is:
 - A. NZQA, if you are a PTE; or
 - B. NZQA or your Academic Board, if you are Te Pūkenga or a wānanga; or
 - C. NZVCC, if you are a university; and
- (iii) notify us of the change and provide the relevant information; and
- (iv) obtain approval from us to update the course or qualification register.

(b) Before making a significant change to a qualification, you must:

- (i) receive notification of change from WDC (where a qualification was developed by a WDC); and
- (ii) Obtain approval from the relevant quality assurance body as set out in Condition 6.6(a)(ii); and
- (iii) provide the relevant information to us (including evidence of approval from the quality assurance body) to enable us to determine whether or not to approve the change; and
- (iv) obtain approval from us to make the significant change.

(c) For the purposes of this Condition:

- (i) a "minor change" to a qualification is a change that does not change the size, level, core content, or EFTL value of the qualification; and
- (ii) a "significant change" to a qualification is a change to:
 - A. the EFTL 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 NZQF; or
 - E. in relation to Te Pūkenga, wānanga and PTEs:
 - the location or locations at which the qualification is delivered; or
 - a change to the delivery mode of the qualification; or
 - the number of programmes or credentials that each learner is expected to undertake to achieve the qualification; or
 - pre-requisite requirements.

6.8 Assigning EFTL values to qualifications

- (a) You must:
- (i) use the following three methods to determine the EFTL value of a qualification:
 - A. credits, credit values or points; and
 - B. learning hours or duration; and
 - C. full-time teaching weeks; and
 - (ii) ensure that a qualification designed to be delivered within a year (being any 12-month period) is limited to a maximum of 1.0 EFTL for *provider-based* and *provider-based: extramural* modes of delivery, even if obtaining the qualification requires more than 120 credits, (1,200 notional hours of learning, over 34 full-time teaching weeks), unless we have approved an exception to this limit; and
 - (iii) provide us with information on the three methods of calculating the EFTL value (being credits or points, learning hours, and full-time teaching weeks) when you enter qualification details on our STEO website.
- (b) For the purposes of DQ3-7 Fund funding, 1.0 EFTL equates to a student workload that is 120 credits or the amount of training that is required for a work-based learner to achieve 120 NZQF credits (1,200 notional learning hours delivered over 34 teaching weeks).
- (c) If you submit for approval for DQ3-7 Fund funding a qualification that has two or more strands, you must propose an EFTL value for the qualification that is based on the strand that contains the highest number of credits that you are approved to deliver for the qualification. A strand is a combination of programmes or credentials that lead to the award of a qualification.
- (d) For the purposes of this Condition and Condition 6.9, notional learning hours comprises learning activities leading towards achievement of programme or qualification learning outcomes (planned by you and communicated by you to the learner). Learning activities include but are not limited to:
- (i) lecturer and tutor contact hours, including workshops and tutorials; or
 - (ii) tests and assignments; or
 - (iii) supervised practical placements; or
 - (iv) study time; or
 - (v) self-directed learning activities that the learner is expected to engage with/participate in;
or
 - (vi) examination periods.

6.9 Limit on EFTL values for qualifications

- (a) You must not assign an EFTL value of more than 1.0 EFTL for *provider-based* and *provider-based: extramural* modes of delivery per year to a qualification, for which you seek approval of DQ3-7 Fund funding, unless you have received approval from us. In approving an exception to this Condition, we will consider additional criteria, including whether you:
- (i) will inform each learner accurately about their higher than normal expected study commitments; and
 - (ii) have support mechanisms in place for each learner who has difficulty coping with the intensity of the programme or credential.

(b) You must not assign a value of 1.0 or more EFTL for *work-based: pathway to work*, *work-based and assessment and verification* modes of delivery per year to a qualification, for which you seek approval of DQ3-7 Fund funding, unless:

(i) you:

- a. have an agreement in place with the learner's employer to ensure the learner can adjust their work schedule, if and when needed, to enable them to continue their study; and
- b. have confidence in the learner's ability to achieve their responsibilities under their employment agreement and training agreement, per observations of the learner's competence and discussions with the learner; or

(ii) you have prior written approval from us.

6.10 Assigning programme or credential classifications

You must accurately assign:

- (a) each of your work-based programmes, as set up in the Industry Training Register, a credit value and nominal duration (in order for the correct standard Training Measure (STM) value to be calculated);
- (b) each of your programmes, credentials, and/or components parts:
 - A. an EFTS factor; and
 - B. for data reported through the SDR, a course classification listed in Table 1, "Delivery Classification" of Appendix 1 of the funding mechanism named *Determination of Design of Funding Mechanism: Non-degree Delivery at levels 3-7 and all industry training up to level 7 on the New Zealand Qualification Framework*, available on our website.

6.11 Assigning programme or credential to a funding category

For data reported through the SDR, you must accurately assign each of your programmes, credentials, and/or components parts a funding category listed in the tables in Appendix 1 of the funding mechanism named *Determination of Design of Funding Mechanism: Non-degree Delivery at levels 3-7 and all industry training up to level 7 on the New Zealand Qualification Framework*, available on our website.

6.12 Over-delivery

You must not deliver provision above 105% of your approved funding allocation unless you have prior written approval from us.

7. Funding

7.1 Use of DQ3-7 Fund funding

- (a) You must ensure that DQ3-7 Fund funding is only used for the relevant programmes, credentials and activities at Level 3-7 (non-degree) as well as all work-based training on the NZQF, which are specified in your approved Investment Plan (unless exempt) or equivalent arrangement. For the purposes of calculating the value of your approved DQ3-7 Fund funded delivery, we use a metric comprising:

- (i) the number of valid domestic enrolments measured in EFTLs; and
 - (ii) the programmes or credentials, and their component parts, in which learners are enrolled, and the assigned delivery classifications, funding categories, and funding rates of those qualifications and component parts.
- (b) You may only claim DQ3-7 Fund funding for a learner who:
- (i) is and continues to be for the length of the Funding Period, a valid domestic enrolment as described in Condition 5.1(a); and
 - (ii) has completed 10% or one month of the programme or credential for which they have enrolled, whichever is the earlier. You must determine whether a learner has completed 10% or one month of a programme or credential by calculating the number of sequential calendar whole days (including weekends and public holidays) from the start date of the programme or credential, rounding up to the nearest whole day.

7.2 Use of DQ3-7 Fund funding for overseas travel

- (a) You must not use DQ3-7 Fund funding to meet the costs of overseas travel for learners, or require learners to meet the cost of the travel by accessing the Student Loan Scheme, unless the overseas travel is academically essential. To determine whether overseas travel is academically essential, you must:
- (i) submit an application to us at least two months before you advertise or publish any information about the programme or credential or accept enrolments; and
 - (ii) include a letter from the applicable quality assurance body, endorsing the essential nature of the travel component of the programme or credential; and
 - (iii) receive approval from us to include overseas travel as part of a programme or credential.
- (b) For the purposes of this Condition, the appropriate quality assurance body is the NZQA if you are Te Pūkenga, wānanga or PTE, and NZVCC if you are a university.
- (c) When determining whether or not overseas travel is academically essential, we will consider whether:
- (i) the overseas travel is integrally linked to the stated outcomes of a programme or credential; and
 - (ii) the programme or credential is a compulsory requirement of a qualification and/or major; and
 - (iii) the academic outcomes for the programme or credential cannot be achieved in any other manner in New Zealand; and
 - (iv) the programme, credential or qualification is aligned to the Tertiary Education Strategy.

7.3 Provision of equipment, infrastructure and hardware

- (a) You must pay for the necessary equipment, infrastructure, and hardware required to deliver a particular programme, credential, and/or component part.
- (b) When providing essential equipment (including computers, diving hardware, and chainsaws), you must not:
- (i) include the costs in any fee, compulsory course cost, or compulsory student services fee, charged to a learner or their employer; or
 - (ii) require a learner to meet the costs through the "course-related costs" component of the Student Loan Scheme as a condition of the learner's enrolment.

- (c) For the purposes of this Condition, "equipment, infrastructure, and hardware":
- (i) means items that can be used by successive intakes of learners; and
 - (ii) does not include:
 - A. personal items that are provided for individual learners' use and that you do not retain for the next intake of learners; or
 - B. infrastructure used by learners in *work-based: pathway to work, work-based or assessment and verification* modes.
-

8. Fees-free tertiary education

- (a) You must not charge a learner (that we have determined is eligible for fees-free tertiary education) or their employer (if applicable) an amount of fees otherwise payable by the learner or their employer (if applicable) if we have advised you that we will:
- (i) if you are a PTE, compensate you for that amount in respect of fees forgone as a result of this Condition; or
 - (ii) if you are not a PTE, pay you that amount in respect of fees on behalf of the learner.
- (b) You must work collaboratively with us to give effect to the fees-free tertiary education initiative. In particular, you must provide information as required by us, to enable us to understand the EFTS consumption of eligible learners, and in relation to fees.
- (c) Any fees in excess of the amount payable by us under Condition 8(a) may be charged by you to the learner, or to their employer (if applicable).

9. Fee limits

- (a) This Condition applies to fees charged by you for DQ3-7 Fund funded courses, training schemes or micro-credentials. However, conditions 9.1 to 9.5 do not apply to:
- (i) Te Pūkenga or Te Pūkenga's subsidiaries where the DQ3-7 Fund funded courses or training schemes are part of Te Pūkenga's process to unify similar courses or training schemes; or
 - (ii) any training previously funded through the Industry Training Fund.
- (b) The fees charged by you are subject to this Condition if you are the sole source of the item to which the fee relates.
- (c) For the purposes of this Condition, unless the context otherwise requires:
- (i) **Course** means part of a programme of study that leads to the award of a qualification on the NZQF, including a certificate, diploma, degree, or postgraduate qualification. For the avoidance of doubt, this includes a course that is part of a qualification where the learner is not enrolled in the qualification (for example, where a learner is only enrolled in the course or where the learner is undertaking the course as part of a training scheme or micro-credential); and
 - (ii) **Training scheme** means study or training that leads to an award but does not, of itself, lead to a qualification listed on the NZQF, but excludes micro-credentials; and
 - (iii) **Micro-credentials** are a sub-set of Training Schemes and certify achievement of a coherent set of skills and knowledge and that evidence of need by industry, employers, iwi and/or the community; and

(iv) **Fees** means:

- a. tuition fees; and
- b. compulsory course costs that are charged to all students enrolled in a course, which includes (but are not limited to) the following: any compulsory costs associated with enrolment, examination fees (including reporting of credits to the New Zealand Qualifications Authority), field trips and any compulsory purchase of equipment or books through the TEO; and
- c. excludes any administrative fees or charges (other than tuition fees or compulsory course costs) for additional services that are payable as a result of the specific circumstances of a student, which includes (but are not limited to) the following: reassessment or remarking of examination results, examination relocation fees, fees associated with recognition of prior learning, or fees associated with an application for selected entry programmes.

(v) **Delivery at levels 3-7 (non-degree) on the NZQF and all industry training (DQ3-7)** means the funding mechanism which provides funding for programmes funded at levels 3-7 (non-degree) on the NZQF and all industry training. However, for the purposes of the fee limits conditions, these funding conditions do not apply to industry training (i.e. programmes previously funded through the Industry Training Fund).

9.1 Annual Maximum Fee Movement (AMFM)

- (a) The AMFM sets the maximum percentage that you may increase your domestic tuition fees by each year for all DQ3-7 Fund funded courses or training schemes.
- (b) The AMFM for 2023 is 2.75%. You are therefore permitted to increase fees (GST exclusive) charged in 2022 to domestic learners for DQ3-7 Fund funded Fund funded courses or training schemes by 2.75%.
- (c) If a course spans more than one calendar year, the applicable fee is the fee applying to the course in the calendar year in which the course started.
- (d) The fees to be used in calculating the AMFM are the highest fees charged to an intake of learners.

9.2 Substitute courses

The AMFM applies to any new substitute course or training scheme, being a new course or training scheme established by you that is a substitute for an existing DQ3-7 Fund funded course or training scheme dealing with the same or similar subject matter, at a same or similar level on the NZQF.

9.3 Calculating the AMFM

- (a) For the purposes of determining the fee to be used in calculating the AMFM, you must provide us with information about:
 - (i) the highest fee charged to a learner; and
 - (ii) the usual fee charged to a learner; and
 - (iii) any discounted fees charged to a learner.
- (b) If you discount your course fees for a calendar year, this must be approved by us in advance.
- (c) You must report, in STEO, accurate information regarding the fees you are charging learners.

9.4 Zero fee or low fee courses

- (a) If the fees for a DQ3-7 Fund funded course or training scheme were less than \$511.11 (incl GST) (or \$444.44 (ex GST)) per EFTS in 2022, then, for 2023, you may increase the fee for the course or training scheme:
 - (i) to up to \$511.11 (incl GST) (or \$444.44 (ex GST)) per EFTS; or
 - (ii) by 2.75%,whichever is the greater.

9.5 Exceptions to the AMFM

- (a) You may apply for an exception from the AMFM on the basis of exceptional circumstances. Any exception granted will not exceed an additional 2.75% over and above the permitted 2.75% increase.
- (b) In considering whether there are exceptional circumstances, we must only have regard to the following criteria:
 - (i) you are unable to support the course(s) or training scheme(s) while remaining financially viable; and
 - (ii) where the course is part of a qualification at Levels 3 to 8 on the NZQF that has been delivered previously, the qualification has a cohort-based completion rate that meets or exceeds the median performance benchmark for that NZQF group in the previous year; and
 - (iii) you can demonstrate that the course or training scheme is in some way unique or special (for example, there are no local alternatives); and
 - (iv) not allowing an exception will prevent you from making a significant contribution to the achievement of one or more of the Government's priorities, as set out in the current Tertiary Education Strategy.
- (c) An application must satisfy all criteria listed in Condition 9.5(b) to gain an exception.
- (d) To apply for an exception, you must use templates specified on our website and send the application to our Customer Contact Group by the date specified by us on our website. Any submissions from learner bodies should be received no later than one week after receipt of your application.

9.6 Fee setting limits for new courses or training schemes

- (a) The fees for a new DQ3-7 Fund funded course or training scheme established by you must be no more than the 75th percentile from the range of fees charged for similar courses or training schemes. We will specify how similar courses or training schemes will be determined.
- (b) Condition 9.6(a) does not apply to a new substitute course or training scheme as defined in Condition 9.2 which are subject to the AMFM.

9.7 Exceptions to fee setting limits for new courses

- (a) You may apply for an exception from Condition 9.6(a) on the basis of exceptional circumstances.
- (b) In considering whether there are exceptional circumstances, we must only have regard to the following criteria:
 - (i) the course or training scheme would be financially unviable without a higher fee; and

- (ii) where the course is part of a qualification at Levels 3 to 8 on the NZQF that has been delivered previously, the qualification has a cohort-based completion rate that meets or exceeds the median performance benchmark for that NZQF group in the previous year; and
 - (iii) you can demonstrate that the course or training scheme is in some way unique or special, for example, there are no or very few similar courses or training schemes to compare fees with; and
 - (iv) the course or training scheme is aligned to Government priorities as set out in the Tertiary Education Strategy.
- (c) An application must satisfy all criteria listed in Condition 9.7(b) to gain an exception.
- (d) If we grant an exception in respect of a new course or training scheme and we specify the fees for that course or training scheme that you may charge, you must not charge fees for that course or training scheme that are greater than the fees specified by us.

9.8 Fee capping limits for micro-credentials

- (a) The fees you charge for a micro-credential must be no more than \$60 (GST inclusive) per credit (excluding components made up of DQ3-7 Fund funded courses that also lead to the award of a qualification).
- (b) Where a micro-credential is wholly or partly comprised of DQ3-7 Fund funded courses that also lead to the award of a qualification, the fees you charge for these courses must be equal to, or less than, the maximum fee permitted for the course under the AMFM under Condition 9.1 and the fee setting limits for new courses or training schemes under Condition 9.6. The fees you charge for the components that are not part of existing courses must be no more than \$60 (GST inclusive) per credit.

9.9 Exceptions to fee capping limits for micro-credentials

- (a) You may apply for an exception from Condition 9.8 on the basis of exceptional circumstances.
- (b) In considering whether there are exceptional circumstances, we must only have regard to the following criteria:
 - (i) you can demonstrate that the fee cap makes it financially unsustainable to offer the micro-credential, in terms of the costs of delivering the micro-credential and taking into account the total income that the micro-credential would generate (including government funding and fees), and that there are no satisfactory alternatives to limit costs; and
 - (ii) you must provide evidence that there is strong support from industry and/or employers to deliver the micro-credential and that this clearly meets industry and/or employer needs, despite the rate of the fee.
- (c) We must only grant an exception if we are satisfied that you meet all of the criteria listed in Condition 9.9(b).
- (d) If we grant an exception in respect of a micro-credential and we specify the fees for that micro-credential that you may charge, you must not charge fees for that micro-credential that are greater than the fees specified by us.

9.10 Refund for breach

If you breach Condition 9.1, 9.2, 9.4, 9.6, or 9.8, you must refund the learner the part of the fee that was overcharged. The refund must be given to the Ministry of Social Development

(StudyLink), if the learner paid for the programme or credential using the Learner Loan Scheme, or to the learner.

10. Compulsory learner services fee (CSSF)

If you charge a compulsory learner services fee, you must comply with the requirements set out in sections 257 and 360 of the Education and Training Act.

11. Minimum and maximum performance standards

You must meet any minimum or maximum performance standards specified by us, including any minimum performance standards specified in your Investment Plan.

12. Financial reporting

If your organisation is a TEI, you must use the TEI Financial Monitoring electronic templates that we will provide to you and supply the following information to us:

- (a) your Annual Report prepared in accordance with section 306 of the Education and Training Act (including your financial statements and statement of service performance prepared in accordance with the Crown Entities Act 2004); and
 - (b) your three-year financial forecast; and
 - (c) any other financial reports that we request.
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13. Learner success plan reporting

If you are required to submit a Learner Success Plan in accordance with [Gazette notice reference], or as requested by us, you must submit any subsequent progress reports in the form, and on the date, specified by us.

14. Disclosure of data from Statistics New Zealand's Integrated Data Infrastructure

It is a Condition of DQ3-7 Fund funding that you consent, for the purposes of section 37A(a) of the Statistics Act 1975, to Statistics New Zealand disclosing information to the Ministry of Education and to us from its Integrated Data Infrastructure that identifies or may identify you.

The Statistics Act 1975 does not constrain the ongoing use or sharing of your TEO-level data once it is disclosed.

15. Benchmarking

If you are a TEI, you must participate as appropriate in benchmarking, including:

- (a) providing the vendor with financial and performance information as requested, in a timely manner; and

- (b) engaging with the vendor over follow-up questions and related quality assurance processes, in a timely manner; and
 - (c) contributing to the cost of the agreement between us and the vendor, at a rate we determine.
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16. Subcontracting

- (a) You must not subcontract any of the DQ3-7 Fund funded activities without prior written:
 - (i) consent from us; and
 - (ii) approval from NZQA, where you are quality assured by NZQA.
 - (b) You must:
 - (i) comply with any conditions imposed by us on the approval to subcontract; and
 - (ii) ensure that the subcontracted party does not further subcontract any functions; and
 - (iii) remain accountable to us for the use of the DQ3-7 Fund funding.
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17. Conditions for DQ3-7 Fund Learner Component funding

17.1 Minimum requirements for Learner Component funding

- (a) You must demonstrate how you will deliver results for learners and commit to :
 - a. addressing racism, bias and low expectations that impact vocational education and training (VET) learners and their whānau;
 - b. strengthening mechanisms to hear and act on VET learner voice, and to understand the views of whānau and communities about VET;
 - c. reducing barriers for VET learners, particularly in accessing work-based learning and supporting learners to be successful in VET; and
 - d. ensuring VET teaching and learning meets learner, employer and industry needs, and delivers skills relevant for the workplace.
- (b) You must not use DQ3-7 Fund Learner Component Funding for valid domestic enrolments in the *assessment and verification* mode of delivery.

17.3 Performance expectations for Learner Component funding

- (a) If you receive DQ3-7 Fund Learner Component funding, and we have determined that you are required to set and meet performance expectations, you must:
 - a. identify the unique needs of all learners (including through engagement with learners and their communities);
 - b. decide how to support learners; and
 - c. allocate funding from the DQ3-7 Fund accordingly.
- (b) If we have determined that you are required to set and meet performance expectations, you must:
 - (i) agree performance expectations with us that show how you will contribute to meeting the current funding priorities of the DQ3-7 Fund Learner Component funding, and that are relevant and tailored the needs of your learner population; and

- (ii) provide any information specified by us within the timeframes specified by us to enable us to monitor your performance expectations.

18. Repayment of DQ3-7 Fund funding

- (a) If you receive DQ3-7 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:
 - (i) is repayable on demand; and
 - (ii) may be set-off against all or any funding, or any sum of money payable by us to you.
 - (b) For the purposes of this Condition, you will have received DQ3-7 Fund funding that was “greater than it should have been” if the total dollar value of the provision that was delivered by you within the Funding Period is less than 99% of the total dollar value for provision paid to you from DQ3-7 Fund funding. In that situation, the percentage of funding that is repayable is equal to the difference between the bottom of the tolerance band (99%) and the percentage value of the provision that was delivered.
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19. Repayment of DQ3-7 Fund funding in case of deviation from funding approval

If we notify you that we consider that you have deviated materially and substantially from your commitments to deliver specific subject areas, programme or credential levels, or modes of delivery for which funding is approved, 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.

20. Suspension, revocation or withdrawal of DQ3-7 Fund funding

If we suspend, revoke, or withdraw some or all of your DQ3-7 Fund funding under clause 16 of Schedule 18 of the Education and Training Act before some or all of that funding has been used or contractually committed towards the purposes for which the funding was provided, you must treat the unexpended or uncommitted portion of the funding as a debt due to the Crown that is:

- (a) repayable on demand; and
- (b) may be set-off against all or any funding, or any sum payable by us to you.