

Option 2.1: Extramural rates set at \$4,750

This option sets extramural rates at \$4,750 per FTEL, which is 45% to 73% of current SAC rates, and 59 to 89% of scenario B.

Provider-based rates are 2% lower than scenario B, and work-based rates are 4% lower than scenario B.

Compared to option 2, this is a 1% further reduction in provider-based rates, no significant change to work-based rates, and +6% to extramural.

Funding category component – 84%, ~\$777m

Subject rate			Mode of delivery				
	Ratio or Rate	Base rates	Provider based 100% of base rate	Provider-based: Extramural \$4,750	Work-based \$1,800 + 60% of base rate	Work-based: Pathway to work \$1,800 + 80% of base rate	Assessment & verification \$1,500
Humanities, Business and Social Service Vocations (F1)	1.0	\$5,476	\$5,476	\$4,750	\$5,086	\$6,181	\$1,500
Trades, creative, IT and health-related vocations (F2)	1.6	\$8,761	\$8,761	\$4,750	\$7,057	\$8,809	\$1,500
Engineering, Health, Science and Primary Industry Vocations (F3)	1.8	\$9,857	\$9,857	\$4,750	\$7,714	\$9,685	\$1,500
Specialist Low-volume, high-cost vocations (F4)	3.0	\$16,428	\$16,428	n/a	n/a	n/a	n/a
Te reo and Tikanga Māori (F6)	\$6,511	\$6,511	\$6,511	n/a	n/a	n/a	n/a

Subsector impacts

Subsector	2021	Scenario B	Option 2.1	Option 2.1: Compared to 2021	
	\$ million	\$ million	\$ million	\$ million	%
Te Pūkenga	346.3	335.7	338.5	-7.8	-2
Delivery from transitional ITOs	203.2	304.7	294.8	91.6	45
Wānanga	94.6	96.0	99	4.4	5
PTEs	168.3	163.2	168.6	0.3	0
Universities	28.9	25.8	24.5	-4.4	-15
Total	841.3	925.4	925.4	84.1	10

Impacts of the UFS on PTEs, compared to 2021 funding

Change in funding	Impact of scenario B		Option 2		Option 2.1	
	Number of PTEs	Total change \$ million	Number of PTEs	Total change \$ million	Number of PTEs	Total change \$ million
Reduction of 50% +	0	0	6	-0.8	3	-0.4
Reduction of 40% +	0	0	2	-2.6	4	-1.7
Reduction of 30% +	2	-0.9	4	-4.8	4	-1.8
Reduction of 20% +	16	-2.3	19	-8.6	18	-3.2
Reduction of 11% to 20%	31	-6.7	38	-9.2	40	-10
Reduction of 6% to 10%	50	-5.2	43	-3.6	44	-3.7
Reduction of 0% to 5%	41	-1.2	28	-1.1	29	-1.3
Increase of 0% to 7%	12	0.1	12	0.1	10	0.1
Total	152	-\$16.2	152	-21.9	152	-22

Option 2.2: Extramural rates set at \$4,750 and increase in work-based rates to \$1900 and 0.6 of the provider rate

Extramural rates are the same as for option 2.1.

Relative to option 2:

- Provider-based rates decrease slightly, but are still at 98% of the rates in scenario B (same as option 2.1), and 83-84% of SAC rates.
- Work-based rates increase slightly, with work-based rates 3% below scenario B, and at 38% to 88% above average ITF rates.

Funding category component – 84%, ~\$777m

Subject rate			Mode of delivery				
	Ratio or Rate	Base rates	Provider based 100% of base rate	Provider-based: Extramural \$4,750	Work-based \$1,900 + 60% of base rate	Work-based: Pathway to work \$1,900 + 80% of base rate	Assessment & verification \$1,500
Humanities, Business and Social Service Vocations (F1)	1.0	\$5,447	\$5,447	\$4,750	\$5,168	\$6,258	\$1,500
Trades, creative, IT and health-related vocations (F2)	1.6	\$8,716	\$8,716	\$4,750	\$7,130	\$8,873	\$1,500
Engineering, Health, Science and Primary Industry Vocations (F3)	1.8	\$9,805	\$9,805	\$4,750	\$7,783	\$9,744	\$1,500
Specialist Low-volume, high-cost vocations (F4)	3.0	\$16,342	\$16,342	n/a	n/a	n/a	n/a
Te reo and Tikanga Māori (F6)	\$6,511	\$6,511	\$6,511	n/a	n/a	n/a	n/a

Subsector impacts

Subsector	2021	Scenario B	Option 2.2	Option 2.2: Compared to 2021	
	\$ million	\$ million	\$ million	\$ million	%
Te Pūkenga	346.3	335.7	337.6	-8.8	-3
Delivery from transitional ITOs	203.2	304.7	296.6	93.3	46
Wānanga	94.6	96.0	98.8	4.2	4
PTEs	168.3	163.2	168.1	0.2	0
Universities	28.9	25.8	24.4	-4.5	-15
Total	841.3	925.4	925.4	84.1	10

Impacts of the UFS on PTEs, compared to 2021 funding

Change in funding	Impact of scenario B		Option 2		Option 2.2	
	Number of PTEs	Total change \$ million	Number of PTEs	Total change \$ million	Number of PTEs	Total change \$ million
Reduction of 50% +	0	0	6	-0.8	3	-0.4
Reduction of 40% +	0	0	2	-2.6	4	-1.7
Reduction of 30% +	2	-0.9	4	-4.8	6	-1.9
Reduction of 20% +	16	-2.3	19	-8.6	16	-2.9
Reduction of 11% to 20%	31	-6.7	38	-9.2	43	-10.6
Reduction of 6% to 10%	50	-5.2	43	-3.6	46	-3.9
Reduction of 0% to 5%	41	-1.2	28	-1.1	24	-1.2
Increase of 0% to 7%	12	0.1	12	0.1	10	0.1
Total	152	-\$16.2	152	-21.9	152	-22.5

Option 2.3: Extramural rates set at \$4,750 and increase in work-based rates to \$2000 and 0.6 of the provider rate

Extramural rates are the same as for option 2.1.

Relative to option 2:

- Provider-based rates decrease, to 97% of the rates in scenario B, and 81-83% of SAC rates.
- Work-based rates increase, with work-based rates 2% below scenario B, and at 39% to 89% above average ITF rates.

Funding category component – 84%, ~\$777m

Subject rate			Mode of delivery				
	Ratio or Rate	Base rates	Provider based 100% of base rate	Provider-based: Extramural \$4,750	Work-based \$2,000 + 60% of base rate	Work-based: Pathway to work \$2000 + 80% of base rate	Assessment & verification \$1,500
Humanities, Business and Social Service Vocations (F1)	1.0	\$5,419	\$5,419	\$4,750	\$5,251	\$6,335	\$1,500
Trades, creative, IT and health-related vocations (F2)	1.6	\$8,670	\$8,670	\$4,750	\$7,202	\$8,936	\$1,500
Engineering, Health, Science and Primary Industry Vocations (F3)	1.8	\$9,754	\$9,754	\$4,750	\$7,853	\$9,803	\$1,500
Specialist Low-volume, high-cost vocations (F4)	3.0	\$16,257	\$16,257	n/a	n/a	n/a	n/a
Te reo and Tikanga Māori (F6)	\$6,511	\$6,511	\$6,511	n/a	n/a	n/a	n/a

Subsector impacts

Subsector	2021	Scenario B	Option 2.3	Option 2.3: Compared to 2021	
	\$ million	\$ million	\$ million	\$ million	%
Te Pūkenga	346.3	335.7	336.6	-9.7	-3
Delivery from transitional ITOs	203.2	304.7	298.4	95.1	47
Wānanga	94.6	96.0	98.7	4.1	4
PTEs	168.3	163.2	167.5	-0.8	0
Universities	28.9	25.8	24.3	-4.5	-16
Total	841.3	925.4	925.4	84.1	10

Impacts of the UFS on PTEs, compared to 2021 funding

	Impact of scenario B		Option 2		Option 2.3	
Change in funding	Number of PTEs	Total change	Number of PTEs	Total change	Number of PTEs	Total change
		\$ million		\$ million		\$ million
Reduction of 50% +	0	0	6	-0.8	3	-0.4
Reduction of 40% +	0	0	2	-2.6	4	-1.7
Reduction of 30% +	2	-0.9	4	-4.8	7	-2.1
Reduction of 20% +	16	-2.3	19	-8.6	15	-2.7
Reduction of 11% to 20%	31	-6.7	38	-9.2	47	-11.2
Reduction of 6% to 10%	50	-5.2	43	-3.6	46	-3.8
Reduction of 0% to 5%	41	-1.2	28	-1.1	21	-1.2
Increase of 0% to 7%	12	0.1	12	0.1	9	0.1
Total	152	-\$16.2	152	-21.9	152	-23