

**Tertiary Education
Commission**

Te Amorangi Mātauranga Matua



2024 Global Indicative Allocation Methodology

Published by the Tertiary Education Commission
Te Amorangi Mātauranga Matua
National Office
44 The Terrace
PO Box 27048
Wellington, New Zealand

June 2023

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The Tertiary Education Commission

Every effort is made to provide accurate and factual content. The TEC, however, cannot accept responsibility for any inadvertent errors or omissions that may occur.



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Funds included in this document

This document provides the allocation methodology and specifications for calculating the 2024 indicative funding allocations. It covers the funds listed below:

Foundation, Community and Youth Transition Funds

- › Adult and Community Education (Communities)
- › Adult and Community Education (Schools) (including ACE in Schools Coordination)
- › Adult and Community Education (TEIs) (including TELAC funding)
- › Delivery on the New Zealand Qualifications and Credentials Framework at Levels 1 and 2 (including the Special Supplementary Grant)
- › Gateway
- › Intensive Literacy and Numeracy
- › English for Speakers of Other Languages - Intensive Literacy and Numeracy
- › English for Speakers of Other Languages – Refugee English
- › TEO-led Workplace Literacy and Numeracy
- › Youth Guarantee (including Exceptional Travel, Wellbeing and Pathway Support Subsidy and Premium Payments)

Vocational Funds

- › Non-degree Delivery at Levels 3–7 on the New Zealand Qualifications and Credentials Framework and all Industry Training Fund (DQ3-7)
- › Learner component (including performance element)
- › Strategic component of the Unified Funding System for Vocational Education and Training Fund (regional and national skills priorities (RNSP) and the Programme Development and Maintenance Fund (PDMF)) (including transitions funding)

Degree and Research Funds

- › Delivery on the New Zealand Qualifications and Credentials Framework at Levels 7 (degree) and above Fund (DQ7+) (including Secondary Initial Teacher Education)
- › Equity Fund
- › Wānanga Research Capability Fund

Other funds included in this document that do not receive an **indicative** funding allocation for 2024:

- › Youth Guarantee Exceptional Travel, Premium Payments and Wellbeing and Pathways Support Subsidy (in Youth Guarantee section)
- › Medical Trainee Intern Grants
- › Māori and Pasifika Trades Training (MPTT), including:
 - MPTT Fees Top-Up
 - MPTT Brokerage Monthly
 - MPTT Brokerage Success
 - MPTT Consortium
- › Fees Free
- › Performance-Based Research Fund (PBRF)
- › Work-based: pathway to work mode

This document provides a summary of how we calculated your indicative allocation. For more details regarding your specific indicative allocation, please contact customerservice@tec.govt.nz or your Relationship Manager.

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How to use this document

The 2024 Global Indicative Allocation document is broken up into **fund category** and **fund** sections. The three fund categories that include indicative allocation methodology details are:

- › Foundation, Community and Youth Transition Funds,
- › Vocational Funds, and
- › Degree and Research Funds.

Each **fund** section contains the information needed to understand and calculate the 2023 indicative allocation amounts:

- › fund name and purpose
- › base methodology (or “starting point”)
- › methodology details: each methodology may have several additional contributing factors beyond the base methodology. These factors may include:
 - methodology components and inputs,
 - delivery data conversions,
 - data cut-offs,
 - assumptions,
 - performance adjustments,
 - approach to mergers,
 - funding rates,
 - exceptions, and
 - other details necessary to calculate the indicative allocations.



Foundation, Community and Youth Transition Funds

Foundation, Community and Youth Transition Funds

Funds included in this section:

- › Adult and Community Education:
 - Adult and Community Education (Communities)
 - Adult and Community Education (Schools) (including ACE in Schools Coordination)
 - Adult and Community Education (TEIs) (including TELAC funding)
- › Delivery on the NZQCF at Levels 1 and 2:
 - Delivery on the New Zealand Qualifications and Credentials Framework (NZQCF) at Levels 1 and 2 Fund (including the Special Supplementary Grant (SSG) Fund)
- › Literacy and Numeracy (LN) and English for Speakers of Other Languages (ESOL):
 - Intensive Literacy and Numeracy
 - English for Speakers of Other Languages - Intensive Literacy and Numeracy
 - English for Speakers of Other Languages – Refugee English
 - TEO-led Workplace Literacy and Numeracy Fund
- › Youth:
 - Gateway
 - Youth Guarantee, including Exceptional Travel, Wellbeing and Pathway Support Subsidy and Premium Payments

We have applied the **two fundamental indicative allocation methodologies** for the Foundation, Community and Youth Transition Funds:

1	<p>Rollover of 2023 allocation:</p> <p>For TEO-led Workplace Literacy and Numeracy (WLN), ACE in TELAC, Delivery on the NZQCF at Levels 1 and 2 (SSG only), Gateway and Youth Guarantee (YG) funds.</p>
2	<p>Lesser of 2022 delivery or 2023 allocation:</p> <p>For Adult and Community Education (ACE) (excluding ACE in TELAC), English for Speakers of Other Languages (ESOL), Literacy and Numeracy (LN) and Delivery on the NZQCF at Levels 1 and 2 (excluding SSG) funds.</p>

TEO-led Workplace Literacy and Numeracy (WLN), Delivery on the NZQCF at Levels 1 and 2 (SSG only) (DQ1-2), Gateway and Youth Guarantee (YG) funds

How we calculate your indicative allocation

Your 2023 final amended allocation is used as the starting point to calculate your 2024 indicative allocation (unless you delivered \$0 in 2022 and were not a new tertiary education organisation [TEO]). Your 2024 indicative allocation has either been rolled over from your 2023 allocation or is \$0.

Indicative allocation methodology factors

Calculation, measurement and adjustments

- › Use of 2023 final amended allocation and prior delivery:
 - Your 2024 indicative allocation is **rolled over** from your 2023 allocation if:
 - you delivered more than \$0 in 2022, or
 - you delivered for the first time in either 2022 or 2023.
 - Your 2024 indicative allocation is **\$0** if:
 - you did not deliver for the first time in 2022 or 2023, and
 - you delivered \$0 in 2022.
- › All indicative calculations use prior allocations and actual delivery measured in dollars (\$) with all indicative calculation outputs measured in dollars (\$).
- › The TEO-led Workplace Literacy and Numeracy (TEO-led WLN) and Gateway funds are subject to a performance adjustment, calculated at the end, **after** your starting and interim point positions are determined. See Performance adjustment sub-section.

Rates and uplifts

- › Your indicative allocation is reflective of the 5.00 percent rate increase for 2024 as announced by the Minister of Education.

In-year amendments

- › Any 2023 in-year amendments approved prior to Friday 12 May 2023 have been included in the calculation to inform your 2024 allocation (except for Gateway, where any 2023 in-year amendments approved prior to Wednesday 24 May 2023 have been included).
- › When any 2023 in-year amendments are approved after Friday 12 May 2023, the Tertiary Education Commission (TEC) will advise whether the funding is being baselined, and therefore being added to the 2024 indicative allocation.

Approach for mergers

- › Te Pūkenga (including Work Based Learning) modelling will show an indicative allocation for a single organisation. Individual subsidiary information will not be available.
- › All private training establishment (PTE) mergers will have associated delivery and 2024 indicative allocations transferred to the remaining (or final) provider EDUMIS for 2024.

Literacy and Numeracy (LN)

TEO-led Workplace Literacy and Numeracy (WLN)

The TEO-led WLN fund supports the provision of literacy and numeracy programmes for employees to increase their literacy and numeracy skills and contribute to workplace productivity.

We fund workplace literacy and numeracy provision to:

- › increase employees' literacy and numeracy skills, and
- › contribute to workplace productivity through providing and evaluating literacy and numeracy learning in a workplace context.

Performance adjustment

In addition to the base methodology, we make a performance adjustment. The performance adjustment applies if 40 percent or more of your 2022 enrolled learners received less than 25 hours of literacy, numeracy, or literacy and numeracy tuition. Where you meet this performance adjustment threshold, your 2024 indicative allocation will be reduced by 5 percent.

If you provided TEO-led Workplace Literacy and Numeracy for the first time in 2022 or 2023, we have not undertaken a performance adjustment of your 2024 indicative allocation for TEO-led Workplace Literacy and Numeracy.

ACE in Tertiary Education Learning and Assessment Centre (TELAC)

This funding delivers advice to adults with low skills and qualifications on how tertiary education increases their opportunities, provides advice about all the different options available, and encourages them to make the most of these opportunities.

Note: No rate increase is applied to TELAC funding for 2024.

Delivery on the NZQCF at Levels 1 and 2 (SSG only) (DQ1-2)

Special Supplementary Grant (SSG) funding

The purpose of the DQ1-2 SSG Fund is to purchase special tutor and teaching resources associated with the qualification delivery for students enrolled at a tertiary education organisation (TEO). Students must be studying towards a qualification listed on the New Zealand Qualifications and Credentials Framework (NZQCF) at Levels 1 and 2.

Youth

Gateway

The purpose of the Gateway Fund is to enable secondary schools to give senior students access to structured workplace learning integrated with school-based learning. Students' learning is assessed in the workplace and they can achieve credits on the New Zealand Qualifications and Credentials Framework (NZQCF) towards their National Certificate of Educational Achievement (NCEA).

Changes made in October 2022

We have made changes to the way Gateway funding is allocated and recovered. This is in response to feedback from schools, the Careers and Transition Education Association New Zealand (CATENZ) and the Career Development Association of New Zealand (CDANZ). These changes will support the growth of our high-quality Gateway programme by reducing the financial risk schools are exposed to through our recovery and allocation approaches. This will support schools to focus on learner-centred programme delivery and reduce enrolment barriers for learners who may have struggled to achieve 20 credits.

Change impacts to funding allocation methodology

From 2024 onwards, we are reducing the use of credit achievement adjustments in the calculation of your indicative allocation. See "Performance adjustment" below.

Note:

- › Gateway uses learner numbers rather than dollars to match the cohort-based funding rate.

- › The Gateway establishment funding of \$4,444 is not included in the 2024 indicative allocation (as these are one-off payments).

Rate Sliding Scale

You can use the 2024 Fund Rate Sliding Scale to understand the number of places your indicative allocation dollar value relates to. This is available on the [Gateway | Funding and Payments](#) page on the TEC website.

Performance adjustment

From 2024 onwards, we are reducing the use of credit achievement adjustments in the calculation of your indicative allocation. For you this means that:

- › we will only be retaining the threshold when the average credit achievement per learner is less than 10 credits. A 25 percent reduction in the learner count, rounded up to the nearest whole learner, is used to calculate your indicative allocation funding. This ensures alignment in your allocation to the Fund Rate Sliding Scale after the performance adjustment.
- › Note the average credit achievement per learner is dependent on validation (and alignment of NSNs) reported between the **actuals** report and the **unit standard** report, i.e. where an NSN is not reported in the actuals report but is reported in the unit standard report, it will not be validated and decrease the average credit achievement value.
- › a learner who withdraws from a Gateway programme after 1 month's enrolment will be excluded from your average credit per learner calculation
- › as a result of this change, we will likely make fewer reductions to each school's future allocation based on average credit achievement per learner calculations.

Youth Guarantee (YG)

The Youth Guarantee Fund provides fees-free tertiary education for students aged 16–24 years who have no or low prior qualification achievement. Students may study towards:

- › NCEA Level 1 and 2 aligned to the Vocational Pathways,
- › another qualification at Level 1 or 2 on the New Zealand Qualifications and Credentials Framework (NZQCF), which is intended to enable students to progress to higher-level education or employment, or
- › a qualification at Level 3 on the NZQCF, particularly if the student:
 - has no or low (Level 1) prior achievement before enrolling in Youth Guarantee, or
 - has achieved Level 1 or 2 qualification(s) through Youth Guarantee and is progressing to a Level 3 Youth Guarantee qualification during their two equivalent full-time student (EFTS) Youth Guarantee entitlement.

Note: Your 2024 indicative allocation is **exclusive** of any **YG Premium, YG Wellbeing and Pathways Support subsidy** and **YG Exceptional Travel** funding.

YG Premium

Your 2024 **final** allocation will include the YG Premium payment, after we provision the Mix of Provision (MoP) and understand how many Level 1 and 2 learners will be expected in 2024.

The Youth Guarantee Premium allocation funds qualifications at Level 1 and 2 at 50 percent above the standard Youth Guarantee rates. The allocation adjusts the overall Youth Guarantee funding you receive so that you are fully funded for 1 EFTS for every 80 credits delivered at Level 1 and 2.

We will allocate the YG Premium based on your Level 1 and 2 commitments in your 2024 MoP file. We will calculate your final delivery (including the premium relating to actual delivery at Levels 1 and 2) against your total YG allocation including the premium and recovery if you were overpaid.

Significant Plan changes during the year may affect the amount of Level 1 and 2 premium needed, for example if we have agreed a change in the total allocated, or there is a change in the distribution of your commitments within the allocation. If necessary, we will recalculate and adjust your premium allocation.

YG Exceptional Travel

Any YG Exceptional Travel will be calculated after the Single Data Returns (SDR) within 2024.

Exceptional Circumstances Transport Assistance (ECTA) funding is to provide additional transport assistance to students who live in relatively isolated areas who may have higher transport needs. ECTA funding is based on EFTS delivered, and the rural isolation of the site where the delivery took place. The rural isolation of TEOs' delivery sites is classified using a system developed by Statistics New Zealand.

YG Wellbeing and Pathways Support Subsidy

Your 2024 **final** allocation will include the YG Wellbeing and Pathways Support Subsidy, which will be calculated based on approved commitments in your 2024 Mix of Provision.

The formulaic calculation is as follows: [Sum of Level 1 and 2 Funded EFTS x 1.5 x Funding rate] + [Sum of Level 3 Funded EFTS x Funding rate]

Adult and Community Education (ACE), English for Speakers of Other Languages (ESOL), Literacy and Numeracy (LN), Delivery on the NZQCF at Levels 1 and 2 (excl. SSG) funds

How we calculate your indicative allocation

We use the lesser of your 2023 allocation or your 2022 delivery (with your 2022 delivery limited to no more than 100 percent of your 2022 allocation) to calculate your 2024 indicative allocation.

Indicative allocation methodology factors

Rates, uplifts and measurement

- › The value of your actual 2022 delivery has first been restated based on the 2023 funding rates.
- › Your indicative allocation is reflective of the 5.00 percent rate increase for 2024 as announced by the Minister of Education.
- › All indicative calculations use prior allocations and actual delivery measured in dollars (\$) with all indicative calculation outputs measured in dollars (\$).

Limits and adjustments

- › Your actual 2022 delivery value is limited to no more than 100 percent of your 2022 allocation (to remove the value of any unfunded delivery beyond the 2022 allocation amount) where your 2022 delivery was greater than your 2022 final amended allocation (inclusive of any in-year amendments).
- › If your indicative allocation is less than your 2023 allocation, the decrease reflected in your 2024 indicative allocation will be limited to no more than 5 percent of your 2023 allocation.
- › Your 2024 indicative allocation is \$0 if:
 - you did not deliver for the first time in 2022 or 2023, and
 - you delivered \$0 in 2022.
- › The Intensive Literacy and Numeracy (ILN) and ILN – English for Speakers of Other Languages (ESOL) funds are subject to a performance adjustment – see “Performance adjustment” subsection.
- › The ESOL Refugee English fund indicative allocation has been calculated using prior year allocation and delivery **learner counts** (as opposed to the value of delivery (\$)).

In-year amendments

- › Any 2023 in-year amendments approved prior to Friday 12 May 2023 have been included in the calculation to inform your 2024 allocation.
- › When any 2023 in-year amendments are approved after Friday 12 May 2023, TEC will advise whether the funding is being baselined, and therefore being added to the 2024 indicative allocation.

Approach for mergers

- › Te Pūkenga (including Work Based Learning) modelling will show an indicative allocation for a single organisation. Individual subsidiary information will not be available.
- › All PTE mergers will have associated delivery and 2024 indicative allocations transferred to the remaining (or final) provider EDUMIS for 2024.

Determining final allocations and adjustments based on forecasts

- › The TEC actively monitors delivery volumes throughout the year, including forecasts based on SDR data, data submitted on Workspace 2 and prior delivery trends.
- › The TEC may adjust individual allocations on an exceptional basis where forecasts significantly differ from methodology outputs **and** prior delivery.

Adult and Community Education

ACE (Communities) funding

The purpose of the ACE Fund is to purchase provision that provides adults with community-based education, foundation skills, and pathways into other learning opportunities that meet community learning needs.

ACE (Schools) funding

The purpose of the ACE Fund is to purchase provision that provides adults with community-based education, foundation skills, and pathways into other learning opportunities that meet community learning needs provided by schools.

ACE (Schools) Coordination funding

Coordination funding is available to help grow ACE in Schools priority provision. It can be used to support initial setup costs related to providing ACE in Schools for the first time, growing existing provision, or expanding into different priority areas of provision.

Coordination funding is one-off funding and needs to be reapplied for each year. As ACE in Schools Coordination funding has a separate analysis code, we have made an adjustment that excludes Schools Coordination from the 2023 final allocation totals used to calculate the 2024 allocations.

Note: No indicative allocation will be provided for ACE in Schools Coordination funding. Allocations will be confirmed as final after the 2024 investment round.

ACE in Te Pūkenga and Wānanga

The purpose of the ACE Fund is to purchase provision that provides adults with community-based education foundation skills, and pathways into other learning opportunities that meet community learning needs provided by Te Pūkenga and wānanga.

ACE in Te Pūkenga and Wānanga funding supports:

- › the achievement of Tertiary Education Strategy priorities,
- › re-engagement of learners in education, and
- › provision of foundation skills development and pathways to other learning opportunities that meet community needs (including further education or the workplace).

Delivery on the New Zealand Qualifications and Credentials Framework at Levels 1 and 2 Fund (DQ1-2) (excluding SSG)

The DQ1-2 Fund contributes to the provision of teaching and learning services for enrolled learners at tertiary education organisations (TEOs).

The objectives of foundation-level tertiary education (Levels 1 and 2 on the New Zealand Qualifications and Credentials Framework (NZQCF)) are to:

- › provide people who do not already have essential foundation skills with access to a low-cost way to gain those skills; and
- › provide progression to higher-level study and skilled employment; and
- › build the literacy and numeracy skills of eligible learners; and
- › enable learners to learn English or te reo Māori; and
- › encourage TEOs that are best able to meet the needs of foundation education learners.

Note: Student Achievement Component at Levels 1 and 2 data is used for any calculations requiring data for the 2022 delivery year or prior. All prior-year data is uplifted to current year rates for the purposes of calculating your indicative allocations.

Note: Māori and Pasifika Trades Training (MPTT) is not included within the DQ1-2 allocations. Your 2022 Student Achievement Component at Levels 1 and 2 (SAC 1 & 2) delivery was used to calculate your DQ1-2 indicative allocation.

Literacy and Numeracy (LN) - Intensive Literacy and Numeracy (ILN)

Intensive Literacy and Numeracy (ILN)

The ILN Fund supports the intensive provision of high quality, fees-free literacy and numeracy learning opportunities for learners with low-level literacy and numeracy skills.

We fund intensive literacy and numeracy provision to:

- › raise adults' literacy and numeracy skills; and
- › increase opportunities for adults to engage in literacy and numeracy learning, particularly for those in low-skilled employment; and
- › improve the quality and relevance of provision, including the ability to identify learner need and learning gain.

Performance adjustment

In addition to the base methodology, we make a performance adjustment. The performance adjustment applies if 40 percent or more of your 2022 enrolled learners received less than 80 hours of literacy, numeracy, or literacy and numeracy tuition. Where you meet this performance adjustment threshold, your 2024 indicative allocation will be reduced by 5 percent.

If you provided LN for the first time in 2022 or 2023, we have not undertaken a performance adjustment of your 2024 indicative allocation for LN.

English for Speakers of Other Languages (ESOL) - Intensive Literacy and Numeracy

English for Speakers of Other Languages (ESOL) - Intensive Literacy and Numeracy

The ILN – ESOL Fund supports the intensive provision of high quality, fees-free ESOL literacy and numeracy learning opportunities, to help adult learners gain the literacy and numeracy skills needed to progress to further study or the workplace.

We fund specialised ESOL provision to:

- › increase opportunities for adults to engage in literacy and numeracy learning, particularly migrants and refugees; and
- › raise adults' literacy and numeracy skills to help learners progress onto further study and employment; and
- › fund the intensive provision of ESOL learning opportunities within an appropriately structured environment.

Performance adjustment

In addition to the base methodology, we make a performance adjustment. The performance adjustment applies if 40 percent or more of your 2022 enrolled learners received less than 20 hours of literacy, numeracy, or literacy and numeracy tuition. Where you meet this performance adjustment threshold, your 2024 indicative allocation will be reduced by 5 percent.

If you provided ESOL for the first time in 2022 or 2023, we have not undertaken a performance adjustment of your 2024 indicative allocation for ESOL.

English for Speakers of Other Languages (ESOL) - Refugee English

The English for Speakers of Other Languages – Refugee English Fund (ESOL – Refugee English) supports refugees to reach a level of English that will allow them to enter employment or undertake their choice of vocational or degree-level education.

The ESOL – Refugee English Fund is a component of the Specialised English for Speakers of Other Languages funds (Specialised ESOL funds). The purpose of Specialised ESOL funds is to:

- › increase opportunities for adults to engage in literacy and numeracy learning, particularly migrants and refugees; and
- › raise adults' literacy and numeracy skills to help learners progress onto further study and employment; and
- › support those with a refugee background, or other special circumstances related to their transition to residence in New Zealand, to reach a level of English that will allow them to enter employment or undertake their choice of vocational or degree-level education, by providing

fees-free access to ESOL programmes at Level 3 or above on the New Zealand Qualifications and Credentials Framework (NZQCF), leading to an ESOL qualification.

Programmes funded through the ESOL – Refugee English Fund must be delivered fees-free and lead to a recognised ESOL qualification at Level 3 or above on the New Zealand Qualifications and Credentials Framework (NZQCF).

Note: The ESOL – Refugee English funding indicative allocation has been calculated using the prior year allocation and delivery volumes by **learner counts** (as opposed to the value of delivery).



Vocational Funds

Vocational Funds

Funds included in this section:

- › Delivery component: Non-degree Delivery at Levels 3–7 and all Industry Training up to Level 7 on the NZQCF Fund (DQ3-7)
- › Learner component (including performance element)
- › Strategic component of the Unified Funding System for Vocational Education and Training Fund (regional and national skills priorities (RNSP) and the Programme Development and Maintenance Fund (PDMF)) (including transitions funding)

Non-degree Delivery at Levels 3–7 on the New Zealand Qualifications and Credentials Framework and all Industry Training Fund (DQ3-7)

This component seeks to enable and encourage providers to grow work-integrated learning pathways which meet learner, employer and community needs. This means provider-based learners should be able to easily access work-based training as part of their programmes, and employers and work-based learners will receive greater support from providers.

Funding is allocated for all education and training at Levels 3–7 (non-degree) and all industry training based on the subject, how delivery occurs (mode of delivery), and the amount of learning (common across all modes).

For further information on the subject, mode of delivery and amount of learning, see [DQ3-7 – Unified Funding System](#).

How we calculate your indicative allocation

Funding will be allocated for all education and training at Levels 3–7 (non-degree) and industry training based on the **subject**, how delivery occurs (**mode of delivery**), and the **amount of learning** (common across all modes).

Your 2023 amended final allocation is used as the starting point to calculate your 2024 indicative allocation. Your 2024 indicative allocation has either been rolled over from your 2023 allocation or is \$0. Your indicative allocation may incorporate downward adjustments based on the April 2023 SDR.

Additional indicative allocation methodology factors

Rates, uplifts and measurement

- › Your indicative allocation is reflective of the 5.00 percent rate increase for 2024 as announced by the Minister of Education.
- › Your indicative allocation includes the increase as announced to Te Reo Māori and Mātauranga Māori rates.
- › All indicative calculations use prior allocations measured in dollars (\$) with all indicative calculation outputs measured in dollars (\$).

Offsets and limits

- › All delivery figures are net of offsets.
- › Your funding changes between 2022 and 2023 are also factored in (as at Friday 12 May 2023).

In-year amendments

- › Any 2023 in-year amendments approved prior to Friday 12 May 2023 have been included in the calculation to inform your 2024 allocation.
- › When any 2023 in-year amendments are approved after Friday 12 May 2023, TEC will advise whether the funding is being baselined, and therefore being added to the 2024 indicative allocation.

Approach for mergers

- › Te Pūkenga modelling will continue to show an indicative allocation for a single organisation. Individual subsidiary information will not be available.
- › All PTE mergers will have associated delivery and 2024 indicative allocations transferred to the remaining (or final) provider EDUMIS for 2024.

Subject

There will be six subject-rate groupings that apply to both provider-based and work-based learning and recognise the different cost structures that come with different types of delivery:

- › Humanities, business and social service vocations
- › Trades, creative arts, information technology and health-related professions
- › Agriculture, engineering, health sciences, and science
- › Pilot training and priority engineering
- › Foreign-going nautical and specialist agriculture
- › Te reo Māori and tikanga.

Mode of delivery

There will be five modes of delivery that reflect where and how a learner is receiving learning. A programme can be made up of one or more modes. This is to allow learners and employers to access learning opportunities in the way that is best for them and to move seamlessly between modes of learning. The five modes are:

- › **Provider-based** – Learner is enrolled with provider with delivery at a provider site, eg, campus or other New Zealand Qualifications Authority (NZQA)- and TEC-approved delivery site and undertaking teaching and learning activities, such as lectures and tutorials, with added supported self-directed learning.
- › **Provider-based: extramural** – Learner is enrolled with provider with learning occurring away from a provider site (and not in the workplace).
- › **Work-based: pathway to work** – Learner is enrolled with provider and delivery has transitioned from either provider-based mode or provider-based: extramural mode to work-based learning with the same provider. Learning is provided in partnership between the provider and employer.
- › **Work-based** – Learner is an employee, contractor or volunteer, is enrolled with a provider and acquires skills in their workplace. Learning is typically work-based with supported self-directed learning.

- › **Assessment and verification** – Learner is already employed with skills acquisition and training occurring in their workplace. Learner undertakes in-house learning to complete training towards a Level 3–7 (non-degree) credential that is delivered by their employer.

2024 funding rates

Funding category	Funding category code	Mode of delivery / \$ per equivalent full-time learner (EFTL)				
		Provider-based	Extramural	Work-based	Pathway to work	A&V
Humanities, business and social service vocations	F1	\$5,853	\$5,125	\$5,562	\$6,733	\$1,618
Trades, creative arts, information technology and health-related professions	F2	\$9,306	\$5,125	\$7,634	\$9,495	\$1,618
Agriculture, engineering, health sciences and science	F3	\$10,477	\$5,125	\$8,335	\$10,432	\$1,618
Pilot training and priority engineering	F4	\$12,818	\$5,125	\$9,740	\$12,305	\$1,618
Foreign-going nautical and specialist agriculture	F5	\$17,559	\$5,125	\$12,585	\$16,097	N/A
Te reo Māori and tikanga	F6	\$7,376	\$7,376	\$7,376	\$7,376	\$1,679

Variation for aviation (Level 3 to 7 (non-degree)) provision

The total cap on all aviation provision is 450 EFTS across the sector (both Level 3 to 7 (non-degree) and Level 7 (degree) and above).

Massey University receives an annual aviation allocation of 126 EFTS/EFTL for delivery at Level 7 (degree) and above.

There are 324 EFTS/EFTL to be delivered at Levels 3 to 7 (non-degree) within the DQ3-7. The UFS provision of the aviation methodology is calculated as a subset of the DQ3-7 indicative allocation.

Your 2023 approved aviation EFTLs (as at Friday 12 May 2023) (rounded up to nearest EFTL will be multiplied by rate per the Pilot Training and Priority (F4) funding category to calculate your 2024 indicative allocation.

Providers receiving a DQ3-7 aviation allocation	
EDUMIS	Tertiary education organisation
7123	North Shore Helicopter Training Limited
7256	Southern Wings Limited
7413	Waikato Aero Club Incorporated
7826	Wanaka Helicopters Limited
8026	Air Hawkes Bay Limited
8031	Christchurch Helicopters 2001 Limited

8074	New Zealand International Commercial Pilot Academy Limited
8589	International Aviation Academy of NZ Ltd
8595	Nelson Aviation College Limited
8638	Ardmore Flying School Limited

Learner component (including performance element)

The purpose of the learner component is to support tertiary education organisations (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.

The learner component is intended to support TEOs to improve outcomes for learners. It is targeted at supporting all learners, particularly those who traditionally have not been well served by the education system. These priority learner groups are:

- › learners with low prior achievement (LPA)
- › disabled learners
- › Māori learners
- › Pacific learners.

These priority groups serve as a proxy for learners who need additional support to be successful in vocational education and training (VET) by providing a straightforward way to allocate funding across the VET system. Learner component funding is not intended to only be used for learners in these four groups. Instead, TEOs are expected to identify the unique needs of all their learners, make decisions about how to support them, and allocate this funding accordingly.

How we calculate your indicative allocation

Learner component funding will be calculated based on the **enrolments of the four priority groups of learners**. It will apply to learners in all modes of delivery (of the DQ3-7) apart from assessment and verification.

Your 2022 actual delivery EFTLs (equivalent full-time learners) is used to determine the number of learners in each learner component group. Your 2023 Mix of Provision for delivery at Levels 3 to 7 (non-degree) has been used to determine your eligible modes of delivery for the learner component. The number of EFTLs will be multiplied by associated rate for each eligible group to calculate your 2024 indicative allocation.

Starting point

- › To be eligible to receive learner component a TEO must receive UFS funding in 2024.
- › Allocations for Te Pūkenga will be based on the 2022 data for it, or for the Institute of Technology and Polytechnic (ITP) it replaces.
- › An indicative funding allocation may be made to a TEO that later transfers delivery to a transitional or other TEO. In that case, we will engage with the new TEO to transfer and adjust the allocation.

Learner component priority group learners

We will use your 2022 UFS eligible SDR enrolment data and Industry Training Register (ITR) enrolment data to determine the number of equivalent full-time learners (EFTLs) that are consumed by priority group learners, by level of the qualification.

The indicative allocation funding calculation for priority group learners will depend on:

- › the learner's ethnicity;
- › the New Zealand Qualifications and Credentials Framework (NZQCF) qualification levels the learner is enrolled in in 2022;
- › the volume of UFS eligible enrolment EFTLs delivered in 2022; and
- › that the mode of delivery is not assessment and verification mode.

Assessment and verification (A&V) percentage calculation

A&V provision is not valid proxies for the learner component.

Data: from SDR MoPs and ITR MoPs as at 19 May 2023.

- › Te Pūkenga – 6683:

A&V %

$$= \frac{(\text{Total STMs in A\&V mode in ITR MoPs of the subsidiaries of Te Pūkenga})}{(\text{Total Funded EFTS in SDR MoPs and STMs ITR MoPs of the subsidiaries of Te Pūkenga})}$$

- › Other TEOs:

$$\text{A\&V \%} = \frac{(\text{Total STMs in A\&V mode})}{(\text{Total STMs in ITR MoP})}$$

Learner component is then reduced by the A&V percentage.

TEC will have discretion to review the learner component in 2024 after having the full dataset of the 2023 year.

Single top-ups

- › A single top-up is payable in relation to learner records identifying as both Māori and Pacific.
- › A single top-up is payable in relation to learner records identifying as both LPA and disabled.

2024 rates

Please note that we will use the rates outlined in the table below to calculate your allocation. These are the 2024 rates applied to the learner component:

Learner component	
Learner group	Funding rates/EFTL
Māori and Pacific learners up to Level 6	\$148
Māori and Pacific learners Level 7	\$355
Learners with low prior achievement	\$1,295
Disabled learners	\$1,295

Performance element of learner component

TEC will set performance expectations with incentive payments paid to TEOs on achievement. 20 percent of each TEO's learner component funding is linked to meeting these performance expectations.

The TEC is taking a targeted approach to implementing these incentive payments in 2024, implementing it with a small number of **selected TEOs**. In 2024, those who are not taking part in the targeted implementation will receive the full amount of learner component funding.

Your performance element of the learner component is 20 percent of your allocation of the four priority learner groups: Māori learners, Pacific learners, learners with low prior achievement and disabled learners.

For TEOs subject to the performance element incentive payments in 2024, we will pay milestone and/or partial payments to ensure TEOs are recognised and paid promptly for their progress and achievements.

The TEC and a TEO will either:

- › agree milestones towards their performance expectations, and the TEC will pay a portion of the incentive payment when each milestone is achieved; or
- › agree multiple performance expectations, and the TEC will pay a portion of the incentive payment if the TEO achieves some, but not all, of the performance expectations.

The selected providers receiving the performance element on a quarterly basis for 2024 include:

Provider Code	Provider Name
9231	Academy of Diving Trust
8025	Ringa Atawhai Mātauranga Limited
7252	AMS Group Limited
8252	M.S.L. Training Group Limited
8069	Oceania Career Academy Limited
8167	Naturopathic College of New Zealand Limited
8974	Servilles Academy Limited
7921	Bay of Plenty Technical Institute Limited
9531	Excel Ministries Charitable Trust
7491	Aspire2 Education Limited
9535	Horowhenua Learning Centre Trust Board
7682	AGI Education Limited
8601	Aesthetics House Limited
8809	Te Whānau Tupu Ngātahi o Aotearoa – Playcentre Aotearoa
7004	Victoria University of Wellington
9247	Westport Deep Sea Fishing Limited
9294	Ag Challenge Limited
8489	Personalised Education Limited
7402	National Trade Academy Limited

The selected providers receiving the performance element through a milestone-based allocation for 2024 include:

Provider code	Provider name
6683	Te Pūkenga – New Zealand Institute of Skills and Technology
5997	The Electrical Training Company Limited
7018	Skills Active Te Mahi Ako Limited
7372	Future Skills Academy Limited
7502	Ignite Colleges Limited
7647	New Zealand School of Education Limited
8199	Vertical Horizonz New Zealand Limited
8405	Land Based Training Limited
8895	Activate Training Centre Limited
9324	Yoobee Colleges Limited
9964	People Potential Limited
8630	Te Wānanga o Aotearoa
9130	Skills4Work Limited
6034	Marine and Specialised Technologies Academy of NZ
6661	Industry Connection for Excellence
7741	Apprentice Training New Zealand 2010 Trust
7963	Strategi Institute Limited
8661	New Zealand Management Academies Limited
9241	Te Wānanga o Raukawa
7008	Auckland University of Technology (AUT)
9328	Skills Update Limited
7694	Queenstown Resort College Limited
9386	Te Whare Wānanga o Awanuiārangi
7003	Massey University
7001	University of Auckland
8509	Whitecliffe Enterprises Limited
8619	New Zealand Tertiary College Limited
9381	Te Kōhanga Reo National Trust Board
7002	University of Waikato
8473	Premier Institute of Education Limited
7638	Techtorium New Zealand Institute of Information Technology Limited
8270	BOP School of Welding Limited
9436	G & H Training Limited
8365	Cornerstone Education Limited
7005	University of Canterbury
7006	Lincoln University
7007	University of Otago

Remaining TEOs will not have learner component-specific performance expectations for 2024 or incentive payments. They will receive their full learner component allocation as well as the performance element incentive payments automatically in 2024.

Approach for TEOs for which there is no 2022 data available for these calculations

- › For funded providers who deliver for the first time in 2024, we will use the 2024 April SDR/ITR submission to calculate the 2024 learner component, then calculate the final allocation following the 2024 December SDR/ITR submission.
- › For funded providers that delivered for the first time in 2023 and for funded providers that delivered for the first time in 2022 and had zero delivery, we will use the 2023 April SDR/ITR submission to calculate the 2024 learner component.
- › If there is no SDR and/or ITR submitted, a provider will not receive a learner component allocation.

Strategic component of the Unified Funding System for Vocational Education and Training Fund

The strategic funding component is designed to respond to regional and national skills priorities, including supporting Te Pūkenga to build and sustain a national network of provision (NoP), and support programme development and maintenance.

The strategic component will provide necessary funding unlinked to learner enrolments (ie, not volume-based) to progress strategic priorities as identified by Workforce Development Councils (WDCs) and Regional Skills Leadership Groups (RSLGs).

The total amount of strategic component funding available is \$79.835 million (and comprises two elements – **regional and national skills priorities** and **Programme Development and Maintenance** with up to the amounts as listed below.

Indicative subsector splits for the strategic component

Strategic component				
Subsector	Regional and national skills priorities		Programme Development and Maintenance Fund (PDMF)	
	Share	Funding (millions)	Share	Funding (millions)
Te Pūkenga	70%	\$27.942 (including NoP)	60%	\$23.951
Private training establishments (PTEs)	30%	\$11.975	30%	\$11.975
Wānanga	N/A ¹	N/A	10%	\$3.992

How we calculate your indicative allocation

Regional and national skills priorities (\$39.917m)

50 percent of the strategic component will respond to regional and national skills priorities as identified by Workforce Development Councils (WDCs) and Regional Skills Leadership Groups (RSLGs).

- › This will be split as:

¹ This component will be covered through Te Hono Wānanga dialogue, and associated funding, with the wānanga sector.

- 70 percent for Te Pūkenga (\$27.942m), and
- 30 percent for PTEs (\$11.975m)
- › Te Pūkenga will receive an indicative allocation (on-Plan) for its strategic component funding. Strategic funding for Te Pūkenga will support its charter requirements to sustain a national network of provision.
- › PTEs will not receive a strategic component indicative allocation for the regional and national skills priorities funding as this will be determined following an off-Plan contestable funding round. Details of this contestable funding round for PTEs will be released in due course.

The funding for skills priorities and the network of provision will be allocated through TEC's Investment Plan process. Funding must be used to respond to national and regional skills priorities and ensure the network of provision.

Programme Development and Maintenance (PDMF) (\$38.918m)

The other 50 percent of the component will support programme development and maintenance, including for extramural programmes, aligned with the Reform of Vocational Education (RoVE) objectives. This component will support the system to innovate and adapt to meet the ever-changing needs of the New Zealand labour market.

- › This will be split as:
 - 60 percent for Te Pūkenga (\$23.951m),
 - 30 percent for PTEs (\$11.975m), and
 - 10 percent for wānanga (\$3.992m).

As with the regional and national skills priorities, Te Pūkenga will receive an indicative allocation (on-Plan) for its Programme Development and Maintenance funding.

PTEs will not receive a strategic component indicative allocation for the Programme Development and Maintenance funding as this will also be determined as part of the same off-Plan contestable funding round.

Programme Development and Maintenance (PDMF) for wānanga

The wānanga portion of PDMF funding allocation in 2024 is split by the portion of UFS learners enrolled in each qualification in each of the wānanga using the data submitted in the 2022 December SDR.

Transitions funding for PTEs

Transitions funding will be allocated to selected PTEs in a two-year transition approach focused on enabling strategically important provision to adapt to the new incentives offered by the UFS. Transitions funding will achieve this by limiting funding reductions for priority and niche areas of provision at PTEs with significant funding reductions.

This funding is specifically for PTEs delivering priority or niche provision with significant funding reductions of greater than 10 percent (when compared to 2024 delivery (DQ3-7) component and learner component funding).

The 2024 funding will be up to half of the 2023 funding. PTEs do not need to apply for this. Transitions funding for selected PTEs will be paid in 12 equal monthly instalments.

Transitions funding is available to PTEs that are:

- › currently receiving transitions funding in 2023

- › facing a significant UFS funding reduction (equal to or greater than 10 percent of 2021 UFS equivalent funding – ie, SAC3+ (translated) and Industry Training Funding and 2022 Equity VET), **AND**
- › delivering a minimum of 15 percent UFS provision as a proportion of total funding for provision, **AND**
- › continuing to deliver strategic priority provision and/or niche provision identified in the funding confirmation letter.



Degree and Research Funds

Degree and Research Funds

Funds included in this section:

- › Delivery on the New Zealand Qualifications and Credentials Framework at Levels 7 (degree) and above Fund (DQ7+) (including Secondary Initial Teacher Education)
- › Equity Fund
- › Wānanga Research Capability Fund

Delivery on the New Zealand Qualifications and Credentials Framework at Levels 7 (degree) and above Fund (DQ7+)

Funding from the Delivery on the New Zealand Qualifications and Credentials Framework at Levels 7 (degree) and above (DQ7+) Fund contributes towards the provision of teaching and learning services for enrolled learners at tertiary education organisations (TEOs).

How we calculate your indicative allocation

The DQ7+ funding indicative allocation will be calculated using your prior delivery and prior allocation information.

Important note: To calculate your 2024 indicative allocation for the DQ7+ Fund, we have used your prior actual delivery in **2022** against your Student Achievement Component Level 3 and Above (SAC3+) funding to identify the value of delivery **proportion** that represents the equivalent of your DQ7+ delivery.

For example, if 95 percent of your SAC3+ value of delivery was for (the equivalent of) DQ7+ delivery in 2022, we have used 95 percent of your 2022 actual delivery in SAC3+ to calculate your 2022 delivery.

We calculate your 2024 indicative allocation using the lesser of your 2023 allocation, or your 2022 delivery (with your 2022 delivery limited to no more than 100 percent of your 2022 allocation). Your indicative allocation may incorporate downward adjustments based on the April 2023 SDR

How we derived each component of the methodology

Methodology component	Component purpose	Component calculation
Your 2023 allocation	To identify the initial component for comparison in the methodology	Your 2023 DQ7+ final amended allocation (as at Friday 12 May 2023)
Your 2022 allocation (translated to	To calculate the maximum amount of your 2022 delivery (translated to DQ7+) for the	Your 2022 SAC3+ final amended allocation compared to your 2022 SAC3+ actual delivery to identify the percentage of over-delivery

DQ7+)	purposes of the 2024 indicative allocation calculation	
Your 2022 delivery (translated to DQ7+)	To calculate your delivery with the maximum amount limited to no more than 100% of your 2022 allocation (translated to DQ7+)	The DQ7+ proportion of your 2022 SAC3+ actual delivery, net of offsets, limited to 100% of your 2022 allocation (translated to DQ7+)

Additional indicative allocation methodology factors

Rates, uplifts and measurement

- › The value of your actual 2022 SAC3+ delivery has first been restated based on the 2023 funding rates then translated to an equivalent DQ7+ value.
- › Your indicative allocation is reflective of the 5.00 percent rate increase for 2024 as announced by the Minister of Education.
- › All indicative calculations use prior allocations and actual delivery measured in dollars (\$) with all indicative calculation outputs measured in dollars (\$).

Offsets and limits

- › All delivery figures are net of offsets (inclusive of the dentistry provision cap, certificate of university preparation cap, early withdrawal of enrolment offsets,² and other provision caps).
- › Your actual 2022 delivery value is limited to no more than 100 percent of your 2022 allocation (to remove the value of any unfunded delivery beyond the 2022 allocation amount) where your 2022 delivery was greater than your 2022 final amended allocation (inclusive of any in-year amendments). This has been calculated by taking the lower of your 2022 delivery or your 2022 final amended allocation (using the percentage of your delivery above your allocation in 2022 on your SAC3+ funding).
- › If your indicative allocation is less than your 2023 allocation, the decrease reflected in your 2024 indicative allocation will be limited to no more than 5 percent of your 2023 allocation.

First-time delivery

- › If you delivered SAC3+ for the first time in 2022 or DQ7+ for the first time in 2023, we rolled over your 2023 DQ7+ allocation.

In-year amendments

- › Any 2023 in-year amendments approved prior to Friday 12 May 2023 have been included in the calculation to inform your 2024 allocation.
- › When any 2023 in-year amendments are approved after Friday 12 May 2023 TEC will advise whether the funding is being baselined, and therefore being added to the 2024 indicative allocation.

Approach for mergers

- › Te Pūkenga modelling will continue to show an indicative allocation for a single organisation. Individual subsidiary information will not be available.
- › All PTE mergers will have associated delivery and 2024 indicative allocations transferred to the remaining (or final) provider EDUMIS for 2024.

² Where students had not completed 10 percent or one month of the course, whichever was the earlier.

Determining final allocations and adjustments based on forecasts

- › The TEC actively monitors delivery volumes throughout the year, including forecasts based on SDR data and prior delivery trends.

To determine your final 2024 allocation and Plan approval (where you are Plan-required), we will consider the following information in our assessment and/or engagements with you:

- › your Investment Plan and related documents (as relevant),
- › your Learner Success Plans and Disability Action Plans (as relevant)
- › your Education Performance Indicator data (refer Investment briefs), and
- › your year-to-date 2023 delivery as recorded in your August 2023 SDR.

Variation for aviation (Level 7 (degree) and above)

The total cap on the aviation provision is 450 EFTS across the sector (both UFS and DQ7+). Massey University (EDUMIS 7003) receives an annual aviation allocation of 126 EFTS. This comprises:

- 93 EFTS funded at **M2 funding rate** (pilot training)
- 33 EFTS funded at **A2/J2 funding rate** (non-pilot training).

126 EFTS will be used to calculate Massey University's 2024 indicative allocation of capped aviation EFTS within the DQ7+ fund.

This allocation will be a subset of the DQ7+ Fund allocation.

Note: The remaining aviation EFTS can be found in the Delivery component section of this document.

Secondary Initial Teacher Education (ITE)

Secondary ITE is funded from the DQ7+ funding and aims to:

- › help ensure New Zealand has a high quality, diverse and sustainable teaching workforce that makes a positive difference for all our tamariki and rangatahi, and
- › achieve positive career outcomes for graduates.

How we calculate your indicative allocation

The Secondary ITE funding indicative allocation will be calculated using your 2022 actual delivery for Secondary ITE.

Your 2022 actual delivery will be used to calculate your 2024 indicative allocation for Secondary ITE.

Additional indicative allocation methodology factors

- › The value of your actual delivery in 2022 has first been restated based on the 2023 funding rates.
- › Your 2022 actual delivery is based on your delivery in either:
 - Course Classification 20, for TEIs, or
 - specific qualifications as listed below, for PTEs.

- › Your indicative allocation is reflective of the 5.00 percent rate increase for 2024 as announced by the Minister.
- › Your Secondary ITE indicative allocation is calculated as a subset of your DQ7+ funding allocation.
- › Further details on the approved Secondary ITE qualifications are listed on the Teaching Council of Aotearoa New Zealand’s website [here](#).

Note for 2024 final allocation for Secondary ITE

TEOs will submit their 2024 Mix of Provision documents to TEC, which will include the estimated 2024 Secondary ITE-eligible value of delivery. We will use this information to calculate and adjust the 2024 final allocation for the Secondary ITE provision within the DQ7+ fund.

We will assess the 2024 Mix of Provision document and the proposed amount of Secondary ITE provision against prior allocations and Secondary ITE historic delivery trends to ensure proposed Secondary ITE delivery is reasonable.

Note: Secondary ITE is only a **DQ7+ provision** – any 2022 actual delivery coded to Level 3 to 7 (non-degree) funding is not included in the Secondary ITE indicative allocation.

Equity Fund

The purpose of the Equity funding is to support tertiary education organisations (TEOs) to improve access, participation, and achievement of all learners within the tertiary education system.

Equity funding is a “top-up” to DQ1-2 and DQ7+ funding – to help cover the costs of providing extra support for these learners. It is not intended to be the sole or primary source of funding; it should supplement other investments to ensure the success of all learners.

There are two elements of Equity funding:

- › Māori and Pacific; and
- › tertiary students with disabilities.

How we calculate your indicative allocation

The 2024 indicative allocation for Equity Funding is based on your 2022 delivery.

Your actual 2022 delivery is used to calculate your 2024 indicative allocation.

- › For the **tertiary students with disabilities** component:
 - Total 2022 actual EFTS in provision at Levels 1 and 2, and at Level 7 degree and above.
 - TEIs (universities, wānanga and Te Pūkenga) are eligible for this funding.
- › For the **Māori and Pacific** component:
 - All 2022 Māori and Pacific SAC EFTS NZQCF Level 7 degree and above.
 - All TEOs except transitional ITOs are eligible for this funding.

2024 rates

Component	NZQCF Level	Rate per EFTS (GST exclusive)
Māori and Pacific	Levels 5 to 7*	\$355.00
	Level 8 and above	\$494.00
Tertiary students with disabilities	All levels	\$31.73

* Note that qualifications at Levels 5 and 6 may appear in non-UFS delivery when they are graduate certificates & diplomas (with QAC codes 20, 21, 25).

TEOs do not need to provide any additional information to TEC to receive Equity funding. TEOs should complete and submit their SDRs or ITR as usual.

We do expect TEOs to:

- › actively consider how they will use this funding to support their learners;
- › include these plans in their normal Investment Plan round documentation, including Learner Success Plans and Disability Action Plans; and
- › be prepared to discuss their approach with their Relationship Manager or a Relationship Advisor.

Please note: if a provider receives a proposed zero allocation for their DQ7+ funding then we will automatically ring-fence their Equity funding until the final 2024 allocations are approved. Providers will not be eligible to receive Equity funding if they receive a final zero allocation for the DQ7+ funding.

Wānanga Research Capability Fund

Consolidated funding for wānanga

This funding has consolidated wānanga funding that was previously made up by the Wānanga Research Capability Fund, the stop-gap funding and the medium-term funding for ngā wānanga. The purpose of this funding is to support the growth and development of wānanga.

How we calculate your indicative allocation

Your 2024 indicative allocation is based on the set amount.

Additional indicative allocation methodology factors

- › No rates increase is applied to consolidated funding for wānanga.

Consolidated funding for wānanga is paid in monthly instalments. The payment amounts are in equal instalments from January to June, and in equal instalments from July to December.



Other funds that do not receive an
indicative allocation for 2024

Other funds that do not receive an indicative allocation for 2024

Māori and Pasifika Trades Training (MPTT)

The purpose of MPTT funding is to increase access for Māori and Pasifika learners to vocational and pre-employment training. This enables these learners to develop skills for sustainable employment and achieve better employment outcomes. MPTT funding is paid to organisations that are part of an approved consortium.

How we will calculate your allocation

Note: No indicative allocations will be made for the Māori and Pasifika Trades Training funding. MPTT funding for 2024 will be confirmed when the plan assessment process is completed (for MPTT Fees Top-Up and MPTT Brokerage Monthly) and on actual 2023 delivery (for MPTT Brokerage Success and MPTT Consortium).

MPTT Fees Top-Up

The TEC will assess your consortium plans. We will allocate the appropriate rate per learner per consortium based on the plan assessments. The allocation of MPTT Fees Top-Up will be based on a mixture of quantitative and qualitative criteria through the assessment of your plans and success targets.

Your MPTT Fees Top-Up final allocation will be based on the outcome of your consortium plan assessment.

MPTT Brokerage Monthly

The TEC will assess your consortium plans. We will allocate the appropriate rate per learner per consortium based on the plan assessments. The MPTT Brokerage Monthly funding is paid in monthly instalments based on the number of learners allocated by the consortium to a TEO.

Your MPTT Brokerage Monthly final allocation will be based on the outcome of your consortium plan assessment.

This Brokerage Success and Brokerage Monthly rates are subject to change in 2024 and will impact the final funding amounts paid for MPTT Brokerage in 2024.

MPTT Brokerage Success

The MPTT Brokerage funding is a success component that is paid where learners successfully go into pre-trade training, employment, or further education.

Your MPTT Brokerage Success final allocation will be based on your actual delivery.

The Brokerage Success and Brokerage Monthly rates applied for 2023 learner components and delivery is \$584.00 per learner. This is subject to change in 2024 and will impact the final funding amounts paid for MPTT Brokerage in 2024.

MPTT Consortium

Your MPTT Consortium final allocation will be based on your actual delivery.

Your prior delivery will be considered for the allocation of MPTT Consortium funding. Final allocations will then be amended based on the plan assessments.

Fees Free

The purpose of Fees Free tertiary education is to assist in making tertiary education more affordable and accessible by:

- › funding one year of Fees Free provider-based education, and
- › two years of industry training, for eligible learners.

Fees Free funding is a learner-based fund. All funds will be paid for eligible learners.

How we will calculate your allocation

Fees Free funding for 2024 will be confirmed in October 2023 when we can make a better estimate of Fees Free funding. We will communicate the final allocation when we send the Fees Free funding agreements for 2024.

Prior to October 2023, there is limited data that can accurately inform levels of Fees Free for 2024, including any possible changes to learner eligibility, introduction of the Unified Funding System, and closure of the Targeted Training and Apprenticeships Fund.

It is important to note that we will make frequent in-year adjustments to allocations throughout 2024 based on actuals reporting as there are unknowns that we may not be able to factor into your allocation.

Medical Trainee Intern Grant

The purpose of the Medical Trainee Intern Grant is to provide a stipend for medical students working as interns in their sixth year of study.

The Medical Trainee Intern Grant (the Grant) provides a stipend of \$26,756 (GST exempt) per eligible EFTS (note this is the latest rate, subject to change) for medical students working as interns in their sixth year of study. The TEC allocates the Medical Trainee Intern Grant in response to annual applications from eligible tertiary education institutions. The University of Auckland and the University of Otago are eligible to receive the funding.

When will the allocation be determined?

Medical Trainee Intern Grant funding for 2024 will be confirmed in August 2023 when the estimated eligible EFTS for 2024 are shared with the TEC.

How we will calculate your allocation

Your determined EFTS of eligible students is multiplied by the 2024 Medical Trainee Intern Grant rate.

TEOs will submit to TEC their estimated number of eligible graduate-entry (lump sum payment) and non-graduate entry (monthly payment) Medical Trainee Intern Grant students for 2024 in 2023. The total eligible graduate-entry and non-graduate entry students determines the total number of students funded for 2024. This will inform the final Medical Trainee Intern Grant allocation for 2024.

Funding is calculated by the determined EFTS of eligible students x \$26,756.

The cohort of EFTS from Otago University runs from December 2023 to November 2024. One-twelfth of the Otago University 2024 EFTS are paid in December 2023 and the remainder of the EFTS are paid out from January to November 2024.

TEC pays the Medical Trainee Intern Grants to the universities, which then pass the funding directly to eligible sixth-year medical interns either as a lump sum to graduate-entry students or as twelve equal monthly payments to non-graduate entry students.

Where the number of EFTS is overestimated, the TEC will recover the overestimated value in 2024, and where the number of EFTS is underestimated, the TEC will pay the underestimated value in 2024.

We use this information to model the agreement between the TEC and the eligible TEOs.

Performance-Based Research Fund

The purpose of the Performance-Based Research Fund (PBRF) is to ensure that excellent research in the tertiary education sector is encouraged and rewarded. This means assessing the research performance of tertiary education organisations (TEOs) and then funding them on the basis of their performance.

How we will calculate your allocation

Your prior performance information was used to calculate your 2024 indicative allocation.

Starting point

The PBRF is a mixed performance-assessment regime that employs both peer review processes and performance measures.

We calculate PBRF allocations based on the performance of eligible TEOs in:

- › a periodic **Quality Evaluation**
- › the number of eligible **Research Degree Completions**
- › the value of **External Research Income**.

Quality Evaluation

This is a periodic assessment of the research performance of eligible TEO staff, undertaken by expert peer review panels. This component makes up 55 percent of the fund.

The funding allocation is based on the award of funded Quality Categories and subject area weighting of Evidence Portfolios submitted by TEOs. It is calculated relative to:

- › the funded Quality Category assigned to Evidence Portfolios (EPs) – eg, A, B, C or C (NE)
- › the full-time equivalency status of the participating TEO’s PBRF-eligible staff member as recorded in the PBRF Staff Data File; and
- › the weighting for the subject area to which EPs have been assigned.

Research Degree Completions (RDCs)

This is a measurement of the annual number of PBRF-eligible postgraduate research-based degrees completed at participating TEOs. This component makes up 25 percent of the fund.

The funding allocation is based on a three-year rolling average of a TEO’s research-based postgraduate degree completions, weighted by research volume, relative costs of the subject areas, and weightings for ethnicity and completions in te reo Māori.

External Research Income (ERI)

This is the annual amount of income participating TEOs receive for research from external sources. This component makes up 20 percent of the fund.

The funding allocation is based on a three-year rolling average of a TEO’s proportion of total ERI earned and weighted by funding source.

Te Pūkenga

Te Pūkenga’s allocation percentage is based on the consolidation on the relevant year data for each of the three funding components for the Institute of Technology and Polytechnic (ITP) it replaces.

Later transfer of delivery

An indicative funding allocation may be made to a TEO that later transfers delivery to a transitional or other TEO. In that case, we will engage with the new TEO to transfer and adjust the allocation.

We will adjust the indicative allocation of the provider receiving the largest portion of Research Degree Completion Funding if the 2024 final rounded calculations create an over-allocation against the 2024 funding of the PBRF. A small difference will be accepted where funding is under-allocated due to rounded calculations.

Work-based: pathway to work mode

Work-based: pathway to work (pathway) mode is about a transition from provider-based learning to work-based learning. The funding for this mode covers the transition period from provider-based (or provider-based: extramural) to work-based learning.

How we will calculate your allocation (which will occur in 2024)

This mode is about a transition from provider-based learning to work-based learning. It consists of a three-step process starting in the provider setting, moving into work-based: pathway to work setting, and resulting in the learner completing their study in the work-based mode. The funding for this mode covers the transition period from provider-based (or provider-based: extramural) to work-based learning, where specific requirements are met:

- › the learner has been awarded some credits in either the provider-based mode or the provider-based: extramural mode in a relevant programme of study (eg, same field of study or industry connection)
- › the learner has been enrolled in TEC-funded work-based learning for at least six months before studying for the same (or a similar) qualification,

- › the learner has not completed 75 percent of the same (or a similar) programme in the last three years.

TEC will compare the data in both the ITR and the SDR to identify:

learners who:

- › were initially enrolled in provider-based or provider-based: extramural,
- › have transitioned to work-based learning, and
- › other relevant data requirements have passed pathway validations.

TEOs will receive a template through Workspace 2 (WS2) with this data for all learners who match the system rules. You are required to complete the Pathway Verified Flag informing us whether each learner's transition meets the requirement for pathway mode.

Eligible TEOs are required to submit a template, via Workspace 2, to signal YES (learner event meets the criteria for pathway mode), or NO (it does not meet criteria). This return is due monthly. You may need to submit a final template, or amendments to previously submitted templates, at the same time as the ITR final cut-off of 31 March (the following year).

Eligibility

The pathway mode is valid for up to 30 credits or three months of the learner's work-based learning (whichever comes first) or when the learner has withdrawn.

Note: Micro-credentials and training schemes are not eligible for funding under the work-based: pathway to work mode.

Payment

Payments will be made to TEOs when either:

- › the learner has completed the three months, or
- › the learner has completed 30 credits, or
- › the learner has withdrawn from the programme and the three months cut-off has been reached. After this, payment will be made up to the withdrawal date (rounded up to the nearest month).

Adjustments after review of data and other information relating to pathway mode settings

TEC will be monitoring the data and engaging with TEOs about what they are doing with pathway learners. If this results in amendments to the WS2 return (eg, changing the previously submitted YES or NO); the impact will be reflected in the next YTD total payment calculation (ie, the funding will be "washed-up" on an ongoing basis each year, not just at the year-end).

Payments will be made on actuals three times per year after the WS2 and SDR submission.

Note: Partial months will be rounded up for the purposes of the payment calculation. For example: 1.1 months of reported learning in the pathways template will equate to and be rounded up to two months, which will be accounted for funding calculation. This is consistent with how the ITR calculates standard training measure (STM) values.

Payment calculation

The TEO has already been allocated (and paid) for volumes under the work-based funding rate. The payment for pathway is to recognise the currently unfunded difference between:

- › the rate applicable for work-based: pathway to work mode, and
- › the rate applicable for the work-based mode.

Further information

For more information on the work-based: pathway to work mode, see [Modes of delivery – Unified Funding System](#).