

Industry Training Fund – Conditions on Funding

The conditions below refer to the Industry Training Fund only unless specified otherwise.

In the conditions below, an "apprentice" refers to both a New Zealand Apprentice and a Modern Apprentice unless specified otherwise.

ITF001: TEO to supply information to TEC

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

As specified in section 159YC(1) and section 159ZD(1) of the Education Act, it is a condition of a TEO receiving funding that the TEO will supply to the TEC, from time to time as required by the TEC, and in the form specified by the TEC, any financial, statistical, or other information that *Archived conditions – applicable for 2015 funding only* a TEO is required to supply.

TEO to supply enrolment information to the TEC

The TEO must:

- a) supply to the TEC information about each industry trainee or apprentice enrolled in a programme or qualification by completing the fields in the Industry Training Register (ITR) in accordance with the ITR User Guide; and
- b) submit the information through the ITR on or before the date specified by the TEC.

For more information, please refer to the ITR User Guide.

TEO to supply financial viability information to the TEC

If the TEC notifies the TEO that it requires information relating to the financial viability of the TEO, the TEO must supply the requested information to the TEC.

TEO to supply information to the TEC in certain situations

The TEO must notify the TEC immediately if:

- a) any record required to be kept under section 159YD(1) or 159ZE(1) of the Education Act has been lost or damaged; or
- b) it is no longer able to comply with a condition of funding.

TEO to supply information about subcontracting arrangements

The TEO must supply to the TEC information about its subcontracting arrangements when the TEC requests.

TEO to provide progress report on activities funded from the ITO Strategic Leadership Fund

This part of the condition applies to a TEO that receives funding from the ITO Strategic Leadership Fund.

The TEO must provide the TEC with a progress report on activities funded from the Strategic Leadership Fund as specified by the TEC.

ITF002: TEO to be eligible to receive funding from the Industry Training Fund or Industry Training Organisation Strategic Leadership Fund

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

This condition applies to an ITO that receives funding from the Industry Training Fund or Industry Training Organisation Strategic Leadership Fund.

The ITO must, for the length of the funding period, continue to be an ITO that is fully or provisionally recognised by the Minister for Tertiary Education, Skills and Employment under the Industry Training Act 1992.

ITF003: ITO not to deliver training itself

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

This condition applies to an ITO that receives funding from the Industry Training Fund.

The ITO:

- a) must not deliver training itself; and
- b) must not have any ownership stake in, or be a beneficiary of, an organisation that delivers training under an arrangement with the ITO.

ITF004: TEO not to subcontract activities without permission

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

This condition applies to a TEO that receives funding from the Industry Training Fund or an ITO that receives funding from Industry Training Organisation Strategic Leadership Fund.

The TEO must:

- a) not subcontract its functions without the TEC's written consent; and
- b) comply with any conditions imposed by the TEC on the consent; and
- c) ensure that the subcontracted party does not further subcontract any of the TEO's functions.

ITF005: TEO to ensure employers of industry trainees make a financial contribution

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

The TEO must ensure that all employers of industry trainees or apprentices who are enrolled with the TEO make a financial contribution towards the cost of each industry trainee's or apprentice's training.

ITF006: TEO to ensure that industry trainees meet certain criteria

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

The TEO must ensure that each industry trainee it enrolls is and continues to be:

- a) one of the following:
 - i. an employee who is employed and working in New Zealand and has a training agreement with his or her employer; or
 - ii. a self-employed contractor working in New Zealand under an arrangement with an organisation in the nature of employment, who has a training agreement with that organisation; or
 - iii. a person volunteering in New Zealand under an arrangement with an organisation in the nature of employment, who has a training agreement with that organisation;

- b) 16 years of age or over (unless the industry trainee has an early leaving exemption certificate from the Ministry of Education).

ITF007: TEO to ensure New Zealand Apprentices meet certain criteria

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

The TEO must ensure that each New Zealand Apprentice it enrolls is and continues to be:

- a) one of the following:
 - i. an employee who is employed and working in New Zealand and has a training agreement with his or her employer; or
 - ii. a self-employed contractor working in New Zealand under an arrangement with an organisation in the nature of employment, who has a training agreement with that organisation; or
 - iii. a person volunteering in New Zealand under an arrangement with an organisation in the nature of employment, who has a training agreement with that organisation
- b) 16 years of age or over (unless the New Zealand Apprentice has an early leaving exemption certificate from the Ministry of Education)
- c) employed (or working as a volunteer) in the occupation for which he or she is training
- d) supported by a training plan agreed by the New Zealand Apprentice, the employer (or organisation with which the New Zealand Apprentice has an arrangement in the nature of employment), and the organisation arranging the New Zealand Apprenticeship programme.

ITF008: TEO to ensure Modern Apprentices meet certain criteria

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

The TEO must ensure that each Modern Apprentice for which it seeks funding:

- a) is and continues to be one of the following:
 - i. an employee who is employed and working in New Zealand and has a training agreement with his or her employer; or
 - ii. a self-employed contractor working in New Zealand under an arrangement with an organisation in the nature of employment, who has a training agreement with that organisation; or
 - iii. a person volunteering in New Zealand under an arrangement with an organisation in the nature of employment, who has a training agreement with that organisation
- b) is 16 years of age or over (unless the Modern Apprentice has an early leaving exemption certificate from the Ministry of Education)
- c) was enrolled in a Modern Apprenticeship programme prior to 1 January 2014.

ITF009: TEO to ensure industry training programmes meet certain criteria

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

The TEO must ensure that a programme in which an eligible industry trainee is enrolled:

- a) is, and continues to be one of the following:
 - i. a National or New Zealand Certificate that
 - A. has at least 40 credits; and

- B. leads to a certificate up to level 4 on the New Zealand Qualifications Framework (NZQF); or
- C. leads to a certificate above level 4 on the NZQF if the TEO has spent less than 10% of its funding above level 4; or
- ii. a National or New Zealand Diploma; or
- iii. a Limited Credit Programme that:
 - A. is designed to encourage entry into a full qualification
 - B. has a minimum of 20 credits and a maximum of 70 credits
 - C. is composed of Unit Standards drawn from full qualifications for which the TEO has funding approval
 - D. meets the minimum limits for progression from the programme to the completion of full qualifications specified by the TEC; or
- iv. a Supplementary Credit Programme that:
 - A. is designed to provide post-qualification skill development
 - B. has a minimum of 20 credits and a maximum of 70 credits
 - C. is composed of Unit Standards drawn from national qualifications for which the TEO has funding approval.
- b) continues to include a majority of on-job training
- c) continues to meet any quality assurance requirements of New Zealand Qualifications Authority
- d) if the programme of learning is at level 1, 2, or 3 on the NZQF, includes embedded literacy and numeracy
- e) does not include learning that:
 - i. primarily equips a participant with the skills and knowledge he or she needs to carry out a given task or function in a manner that complies with a specific health and safety or regulatory compliance requirement; or
 - ii. displaces the responsibility of employers to provide training necessary to mitigate health and safety, and legal risks
- f) is not a qualification that:
 - i. contains health and safety and regulatory compliance learning
 - ii. is structured in a manner in which most enrolments will lead only to the completion of the health and safety or regulatory compliance components, rather than the whole qualification.

ITF010: TEO to ensure New Zealand Apprentice programmes meet certain criteria

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

The TEO must ensure that a New Zealand Apprenticeship programme in which an eligible New Zealand Apprentice is enrolled:

- a) meets and continues to meet the criteria for an industry training programme specified in condition ITF009; and
- b) is, and continues to be one of the following:
 - i. a qualification at level 4 on the NZQF that has a minimum of 120 credits (additional qualifications at level 4 or Supplementary Credit Programmes may be added to a level 4 120-credit qualification to comprise part of a New Zealand Apprenticeship); or
 - ii. 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.

ITF011: TEO not to claim funding from the ITF for recognised prior learning

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

The TEO must not claim funding for recognised prior learning credited to an industry trainee or apprentice.

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

- a) ask the industry trainee or apprentice to specify prior learning he or she has undertaken;
- b) review the information provided by the industry trainee or apprentice when admitting a student into a programme or qualification; and
- c) retain documents that confirm that the industry trainee or apprentice has demonstrated the required knowledge or skill.

For the avoidance of doubt, recognised prior learning does not apply to repeated learning undertaken because a quality assurance body requires an industry trainee or apprentice to repeat training periodically.

ITF012: TEO to arrange training at levels 1 to 4 on the NZQF

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

The TEO must not spend more than 10% of the funding from the Industry Training Fund it has received for training above level 4 on the NZQF unless it has approval from the TEC.

ITF013: TEO to use Literacy and Numeracy for Adults Assessment Tool

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

The TEO must use the Literacy and Numeracy for Adults Assessment Tool to identify the literacy and/or numeracy needs of each industry trainee enrolled in a programme at level 1, or 2 on the NZQF, and measure the industry trainee's progress.

ITF014: TEO to meet minimum performance standards

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

The TEO must meet any minimum performance standards set by the TEC. In particular, the TEO must ensure that at least 80% of industry trainees and apprentices actively training with the TEO for 90 days or more in the calendar year achieve at least 10 credits.

ITF015: TEO to comply with codes of practice

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

This condition applies to a TEO that receives funding for a New Zealand Apprentice or Modern Apprentice.

The TEO must ensure, as far as reasonably practicable, that the delivery of New Zealand Apprenticeship and Modern Apprenticeship training, and every training agreement for a New Zealand Apprenticeship or Modern Apprenticeship, is consistent with any code of practice for

apprenticeship training approved by the Minister for Tertiary Education, Skills and Employment.

ITF016: TEO to provide pastoral care and support for New Zealand Apprentices

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

This condition applies to a TEO that receives funding for a New Zealand Apprentice.

The TEO must:

- a) provide, or procure, appropriate pastoral care and support for every New Zealand Apprentice for whom it is funded that:
 - i. has regard to the age and experience of each New Zealand Apprentice
 - ii. has regard to any approved code of practice
 - iii. includes at least four visits to the New Zealand Apprentice over a period of 12 months
- b) if a potential New Zealand Apprentice is under the age of 18 years:
 - i. advise him or her that if he or she is unsure about the effect or implications of the agreement, he or she should not enter into it without first seeking advice about doing so from an independent person
 - ii. give him or her a reasonable opportunity to seek that advice
 - iii. assist him or her to enter into the training agreement if he so she chooses to enter a New Zealand Apprenticeship.

ITF017: TEO not to receive other Crown funding

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

The TEO must:

- a) not (without the TEC's prior written consent) seek or obtain funding from any Crown source other than the TEC to fund a programme or training scheme which is funded from the Industry Training Fund
- b) not (without the TEC's prior written consent) seek or obtain funding from any Crown source other than the TEC to fund activities funded from the Industry Training Organisation Strategic Leadership Fund
- c) notify the TEC immediately if it becomes aware of any circumstances that might result in a breach of paragraph a) or b) of this condition.

ITF018: TEO to use funding appropriately

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

The TEO must only use funding from the Industry Training Fund or Industry Training Organisation Strategic Leadership Fund:

- a) lawfully, responsibly, and for the purposes for which it is provided
- b) in a manner consistent with the appropriate use of public funds.

ITF019: TEO to repay excess funding

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

If the TEO receives funding from the Industry Training Fund or the Industry Training Organisation Strategic Leadership Fund that is greater than it should have been, or that it was not entitled to receive, the TEO must treat the amount of the over-funding as a debt due to the Crown that:

- a) is repayable on demand
- b) may be set-off against all or any funding, or any sum of money payable by the TEC to the TEO.

Definition of funding that is greater than it should have been

The extent to which a TEO will have received funding from the Industry Training Fund that was greater than it should have been must be calculated by applying paragraphs (a) to (e) in the order that they appear:

- a) if the TEO does not arrange delivery of training during the funding period up to the dollar value for which it has been funded (in that situation, the TEC will separately recover funding for industry trainees, and apprentices, based on the rates of funding that apply); and
- b) if the actual average duration of a programme of training exceeds the nominal duration of a programme (over-duration) to the extent of the over-duration; and
- c) if an individual industry trainee or apprentice has been enrolled in more than 10 credits in any calendar month at one or more ITOs (over-enrolment), to the extent of the monthly over-enrolment; and
- d) if an individual industry trainee or apprentice has been enrolled in more than 70 credits over the calendar year, at one or more ITOs (monthly over-enrolment), to the extent of the annual over-enrolment; and
- e) if less than 80% of the industry trainees and apprentices actively training for 90 days or more in the calendar year achieve the minimum of 10 credits (under-achievement), the TEC will deduct funding for each percentage point below 80%:
 - i. up to a maximum of 2.5% of the net funding in 2014; and
 - ii. up to a maximum of 5.0% of the net funding in 2015.

For information about the calculation of 'under-achievement', 'over-enrolment' and 'over-duration', refer to the document Standard Training Measures, Trainee Counts and Offsets - data definitions and data rules.

ITF020: TEO that receives funding from the ITF direct funding scheme to meet certain criteria

This condition applies to a TEO that receives funding from the ITF direct funding scheme.

The TEO must during the funding period continue to:

- a) be one of the following:
 - i. an employer; or
 - ii. a group of employers or industry associations that are part of a consortium arrangement; or
 - iii. a group training scheme; or
 - iv. a Modern Apprenticeship Coordinator (who is not employed by an ITO); and
- b) have at least 40 industry trainees in both 2014 and 2015 who:
 - i. are actively training towards one or more of the eligible qualifications or programmes
 - ii. meet specified industry trainee criteria, New Zealand Apprentice criteria, or Modern Apprentice criteria.

Definition of group training scheme

Archived conditions – applicable for 2014 and 2015 funding only

For the purposes of this condition, a group training scheme is a scheme that employs apprentices and places them with host employers who are qualified tradespeople who provide training for the apprentices.

2014/2015