



# TEC Investigation Summary– Westport Deep Sea Fishing Limited

## Background

1. Westport Deep Sea Fishing Limited (WDSF) is a Private Training Establishment (PTE) based in Westport. It has been a NZQA registered PTE since 1993. WDSF provides residential, practical training programmes for people interested in working on deep sea and in-shore fishing vessels, and for those seeking to progress their careers in the maritime industry.
2. WDSF offers the following TEC funded programmes:
  - > New Zealand Certificate in Fishing Vessel Crewing (Level 3)
  - > New Zealand Certificate in Domestic Maritime Operations (Restricted Limits) (Level 4)
  - > New Zealand Certificate in Marine Engineering Class 6 (Level 4)
  - > New Zealand Certificate in Marine Engineering Class 5 (Level 5)
  - > New Zealand Certificate in Domestic Maritime Operations (Coastal and Offshore) (Level 5).
3. WDSF currently receives TEC funding from Delivery on the NZQCF at Levels 1 and 2, Non-degree Delivery Levels 3-7 on the NZQCF and Youth Guarantee (YG) fund.
4. Between 2020 and 2023, WDSF delivered training to 413 equivalent full-time students (EFTS) and was funded \$5,510,406.

## TEC Audit

5. The TEC carried out a desktop audit of WDSF on 20 August 2024. The audit revealed significant issues with how student data was reported through Student Data Returns (SDRs) between December 2022 and April 2024. Before the audit, in July 2024, the TEC had already recovered all Fees Free funding from WDSF for the years 2020 to 2023, due to breaches of the Fees Free Funding Agreement (a recovery of \$264,079.55).
6. Issues highlighted during the audit included:
  - > Students reported and claimed for funding with no evidence of attendance.
  - > Incomplete (or no) outcome results recorded in the SDR.
  - > Reporting students with a generic “01 January” start date which did not align with how programmes were delivered.
  - > Incomplete withdrawal date fields
  - > High number of students reported extended (Code 0) in all courses in the December 2023 SDR
  - > No enrolment forms for some students who were enrolled in a second programme.
7. The audit found in a sample of 20 records covering 2022-2024 that seven were invalid for funding purposes (considering the issues highlighted above).
8. Another key finding from the audit concerned how one course (New Zealand Certificate in Marine Engineering Class 6 (Level 4)) was entered into the Services for Tertiary Education Organisations (STEO) database. When a TEO has a new programme, it is required to disaggregate the programme into component courses so funding can be apportioned appropriately. Each component course must be assigned an EFTS factor which is then multiplied by the funding rate to determine the amount of funding for that course.

9. WDSF had assigned the course an EFTS factor of 0.333 instead of 0.0333. The effect of this is that it received approximately \$3,000 more funding per confirmed student enrolment in this course. This resulted in an indicative funding recovery of \$354,081 for 116 students.
10. The TEC audit concluded that an investigation involving an onsite review of student records from December 2020 onwards would be commenced to validate reported results and determine if additional records required amending or removal through resubmissions of the SDRs for each year.

## Investigation Process

13. TEC investigations utilise a number of sources of information and evidence to enable us to form a view about whether data reported in the SDR matches the provider's own records, and whether records and reporting accurately reflect the learning delivered. These checks ensure that learners receive the education and training experience they expect, and that programmes are delivered and funded as approved.
14. The TEC also completed a wider review to identify duplicate courses across the years 2020 to 2024 where additional funding had been claimed and this was factored into the investigation.

## Investigation Scope

15. The TEC's investigation of WDSF included:
  - > Assessing compliance with TEC funding conditions, specifically, the accuracy of student data reported through the SDRs for the years 2020 - 2024
  - > Assessing the organisation's systems and processes for reporting student data through the SDR, including reporting enrolments, student achievement and withdrawals
  - > Validation of the SDRs for December 2020, December 2021, December 2022, December 2023 and April / August 2024
  - > Validation of reported enrolments and results across all funds 2020-2024
  - > Interviews with selected WDSF staff covering all funded programmes
16. The investigation reviewed all funded records with WDSF administration and provided WDSF management with spreadsheets for each December 2020 to December 2023 SDR for corrective action to be undertaken. This included an opportunity for WDSF to review and comment on any proposed action

## Investigation Outcome

17. The investigation confirmed that the issues highlighted in the smaller sample set from the desktop audit (outlined in paragraph 6) were apparent across all reported learners and in earlier reported years.
18. 121 students were identified as being invalid enrolments (with the majority of invalid enrolments in 2023). WDSF confirmed that it had preloaded a high number of students into the 2023 SDR but had failed to remove any enrolments which did not eventuate or where the learner did not meet the requirements for a "confirmed learner enrolment".<sup>1</sup>
19. In addition to the above, two other issues were highlighted. Nine students were funded for courses who were granted recognition of prior learning (RPL). RPL is a process that allows learners to use their relevant knowledge and skills to gain credit or qualifications without repeating aspects of the course. Under TEC funding conditions a TEO must not seek funding for any learners where RPL is granted.
20. The investigation also highlighted a number of duplicate courses. Duplicate courses can be created in a TEO's student management system (SMS) when start or end dates are changed in the system. The duplicate course results in the TEO being over-funded for a particular enrolment.

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<sup>1</sup> A "confirmed learner enrolment" is defined in condition 3 of the Delivery at Levels 3-7 (non-degree) on the New Zealand Qualifications and Credentials Framework and all industry training Fund conditions.

21. After reviewing all the issues above and confirming the students who needed to be removed or reporting adjusted, WDSF went through a process of resubmitting SDRs for the years 2020 – 2023. This included correcting the EFTS factor for the courses highlighted in paragraph 8.
22. A breakdown of the changes in reported learners and delivery of EFTS is outlined in the table below.

Delivery by Year	EFTS Delivered			Reported Students *		
	Pre audit	Post audit	Difference	Pre audit	Post audit	Difference
December 2020 SDR	98.2623	79.9907	18.2716	179	180	-1
December 2021 SDR	119.8892	100.1134	19.7758	231	206	25
December 2022 SDR	112.2254	101.6361	10.5893	234	219	15
December 2023 SDR	192.3724	131.3814	60.991	358	275	83
<b>Totals</b>	<b>522.7493</b>	<b>413.1216</b>	<b>109.6277</b>	<b>1002</b>	<b>880</b>	<b>122</b>

\* note that the above table includes funded and unfunded students and the resubmission resulted in EFTS values changing across students and courses

## Next Steps

23. The implications of the changes meant that WDSF were over-funded an amount of \$633,550.70 for the years 2020 – 2023. WDSF has entered into a repayment plan with the TEC to ensure that this amount will be fully repaid by June 2025.
24. WDSF has acknowledged the invalid enrolments that were identified during this work, attributing the errors to administrative oversights. As indicated above, the preloading of enrolments in the 2023 SDR without sufficient removal of any learners who did not progress to a full enrolment has created significant overfunding.
25. WDSF will need to update and improve processes in this area to ensure that this situation does not occur again.
26. Considering the inaccuracies in reporting, the TEC will conduct a further review of reported students in 2025 to ensure that these processes have been implemented correctly. If we consider that there are persistent quality issues with the data, we may require that the accuracy of WDSF's data is validated by a third party (as outlined in the Base Funding Conditions).
27. The TEC notes that while a number of issues were identified, WDSF management and staff have engaged openly and cooperatively throughout the audit and investigation process. We thank them for their engagement and commitment to correcting identified issues.