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[date]

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Tēnā koe [name of Chief Executive]

Fee payments to tertiary education organisations for targeted training and apprenticeships funded through the Industry Training Fund

1. We are pleased to confirm the payments that the Tertiary Education Commission (we/us) will make to [Transitional ITO] (you) from 1 July 2020 for targeted training and apprenticeships that are funded through the Industry Training Fund.
2. This letter sets out the terms and conditions on which we will make payments to you to on behalf of apprentices and trainees we have determined to be undertaking eligible study or training for fees-free targeted training and apprenticeships (**eligible apprentices or trainees**).
3. We are providing the payments to you from 1 July 2020 on behalf of eligible apprentices or trainees who undertake an eligible programme arranged by your organisation.
4. This year, the TEC is posting your allocations online. You can view your Free Trades Training allocation on [Ngā Kete](#), under My Allocations and Payments.
5. In consideration for us agreeing to pay you fees on behalf of eligible apprentices or trainees, you agree to the terms and conditions set out in this letter.
6. Please confirm your acceptance of these terms and conditions by:
 - (a) signing a copy of this letter under the heading "Acceptance of all of the terms and conditions of payment" on page 10; and
 - (b) initialling each page, and returning the signed copy to us (customerservice@tec.govt.nz) on or before Monday 6 July 2020. You must use the subject 'Your [Edumis] – Free Trades Training Agreement' in your email communication.
7. We will make the first payment to you no later than 10 working days following receipt of your acceptance.



8. This agreement applies until 31 December 2020. A new agreement will be provided to cover payments for eligible apprentices and trainees from 1 January 2021.

Purpose of fees-free targeted training and apprenticeships fund

9. The purpose of the Targeted Training and Apprenticeships Fund (TTAF), which takes effect from 1 July 2020, is to support New Zealand's economic recovery by making targeted areas of vocational education and training at sub-degree level fees-free until 31 December 2022. This is in response to the impact of COVID-19 on the labour market and industry skill needs.
10. The aims of the TTAF are to:
 - (a) support all apprentices to continue their training and support employers to continue to invest in skills development for their apprentices during the economic difficulties and uncertainty caused by COVID-19;
 - (b) make programmes free for learners in targeted areas, to support particular industry skill needs where demand from employers will continue, or be part of the economic recovery;
 - (c) support and encourage people of all ages to undertake targeted vocational education and training programmes within TTAF to encourage people of all ages into areas of study or training that will give them better employment prospects as New Zealand recovers from the impact of COVID-19.
11. In these terms and conditions, we refer to the funding that you will receive from TTAF for fees on behalf of eligible apprentices or trainees as "Free Trades Training".

Process

Determining eligibility of programme

An eligible programme is a programme or qualification that:

- (a) is described in clauses 12 and 13; and
 - (b) is delivered in accordance with clause 16.
12. A programme will be eligible for fee support through the Free Trades Training initiative if it is one of the following:
 - (a) a New Zealand apprenticeship that is:
 - (i) approved by the TEC and funded under the Industry Training Fund; and
 - (ii) a sub-degree programme; and
 - (iii) approved by the New Zealand Qualifications Authority (**NZQA**); and

- (iv) a registered apprenticeship programme as at 1 June 2020, or has otherwise been determined by the TEC to be an eligible programme; and
 - (v) not otherwise excluded from being an eligible programme.
- (b) a programme that is approved for and funded through the Industry Training Fund and is:
- (i) one of the following types of qualifications or programmes:
 - (1) New Zealand Certificates and National Certificates at levels 3 to 6 on the NZQF;
 - (2) New Zealand Diplomas and National Diplomas at levels 5 to 7 on the NZQF;
 - (3) Industry Training Fund-funded traineeships currently eligible for Fees Free support;
 - (4) micro credentials; and
 - (ii) in a target industry area (see clause 13); and
 - (iii) sub-degree training; and
 - (iv) not a New Zealand apprenticeship; and
 - (v) not otherwise excluded from being an eligible programme.
- (c) study or training that is not a programme or qualification described paragraphs (a) or (b), where:
- (i) the study or training is within a target industry area (see clause 13);
 - (ii) the study or training is one of the of the following:
 - (1) a Limited Credit Programme, a Supplementary Credit Programme, or a TEC-approved training arrangement;
 - (2) an Industry Training Fund funded New Zealand Certificate or National Certificate at level 2 on the NZQF; or
 - (3) any other programme funded through the Industry Training Fund; and
 - (iii) we have determined that the training or study is an eligible programme (see clause 14).

13. For the purposes of clause 12, the target industry areas are:

- (a) primary industries, including agriculture, horticulture and viticulture, fisheries (including aquaculture) and forestry;
 - (b) construction, including building, plumbing, and civil engineering;
 - (c) community support, including youth work, care for the elderly, care for people with disabilities, counselling, interpreting, and community health;
 - (d) manufacturing and mechanical engineering and technology;
 - (e) electrical engineering; and
 - (f) road transport (vehicle operations only).
14. For any study or training that is referred to in clause 12(c), we may determine that the study or training is not eligible to receive Free Trades Training funding if:
- (a) we consider that the fees are unreasonable; and
 - (b) the fees do not align with fee rates for comparable courses or programmes across the tertiary education system.
15. We may decline to provide fees support to you on behalf of an apprentice or trainee where we consider that an apprentice or trainee is enrolled in part of a programme that would otherwise be eligible for fees support under the Free Trades Training initiative, but has been enrolled in that part of the programme to contribute to their achievement of a qualification or programme that is not eligible for fee support under the Free Trades Training initiative.
16. To be eligible for fees support under the Free Trades Training initiative, delivery of the programme must:
- (a) commence on or after 1 July 2020; or
 - (b) have commenced before 1 July 2020, and continue after 1 July 2020 (see clause 17); or
 - (c) have commenced shortly before 1 July 2020, and continue after 1 July 2020, and we have determined that the fees for the whole programme are eligible to be paid under the TTAF.
17. In the case of a programme to which paragraph 16(b) applies, we will pay the proportion of the apprentice's or trainee's fees that corresponds to the proportion of the eligible programme that is delivered after 1 July 2020.

Determining eligibility of each apprentice or trainee

18. Every apprentice or trainee who is enrolled in an eligible programme is eligible to have their fees paid under the TTA if the apprentice or trainee meets the learner eligibility criteria for Industry Training Fund funding.
19. If you enrol an eligible apprentice or trainee in an eligible programme, we will make payments to you, on behalf of the eligible apprentice or trainee.

Condition imposed on your Industry Training Fund funding

20. We will make payments to you on behalf of eligible apprentices or trainees. As specified in the condition imposed on your Industry Training Fund funding, you are prohibited from charging an eligible apprentice or trainee in respect of fees otherwise payable by the apprentice or trainee, if we have advised you that we will pay that amount to you on behalf of the apprentice or trainee.

Payments

21. Each quarter (as a minimum) you will receive a payment from us. Each payment will be based on historical and existing data estimating the fees for eligible apprentices or trainees.
22. We will calculate a 6 month allocation for 2020 (1 July 2020 to 31 December 2020). We will calculate your allocation in accordance with the Free Trades Training allocation methodology published on our website.
23. The allocation will be paid in two instalments:
 - (a) in July 2020, or 10 working days following receipt of your acceptance of these terms and conditions (whichever is later), we will pay 80% of your allocation
 - (b) in October 2020, we will pay the remaining 20% of your allocation.
24. We will make adjustments to your allocation and payments, as required, based on enrolments and reconciliations. We may:
 - (a) increase the payments;
 - (b) decrease the payments; or
 - (c) if we have overpaid, require you to repay to us the amount we specify.
25. You may ask us to review a payment or your allocation if:
 - (a) you consider that a payment you receive from us in respect of any eligible apprentice or trainee undertaking an eligible programme is inaccurate; or
 - (b) you consider that your allocation is incorrect.
26. We may:
 - (a) decide whether or not to review the payment or allocation;

- (b) if we review the payment or allocation, decide whether or not to increase or decrease the payment or allocation;
 - (c) if we consider that the payment or allocation should be increased, give you an additional payment; and
 - (d) if we consider that the payment or allocation should be decreased, set-off the amount identified against your future payments.
27. The extent to which you have received funding from Free Trades Training that was greater or less than it should have been will be calculated after we have reviewed the information you submit to the Industry Training Register (ITR) in March 2021 in accordance with the Free Trades Training recovery methodology that will be published on our website no later than December 2020.

Conditions

Reporting and fees

28. Fees for eligible apprentices or trainees must only relate to:
- (a) fees for training and assessment;
 - (b) fees paid to ITF funded organisations, or directly to training and assessment providers;
 - (c) fees paid by trainees, apprentices or employers; and
 - (d) fees that are directly related to individual trainees undertaking training for which fees are paid by the TTAF.
29. To avoid doubt, the following items are not fees:
- (a) the cost of returning exam scripts or exam / assessment recounts;
 - (b) travel and accommodation charges other than those incurred on a field trip;
 - (c) bond payments;
 - (d) administrative fees, or programme charges; and
 - (e) vetting fees.
30. We are only liable to pay a fee for an eligible programme if:
- (a) the programme is specified in the ITR data that you provide to us as a condition of your Industry Training Fund funding; and
 - (b) the apprentice or trainee is recorded as either Active or Grace in the ITR; and
 - (c) you charge that fee to every apprentice or trainee in the same circumstances (whether or not they are eligible for Free Trades Training) who is enrolled in the same programme; and

- (d) it is determined by us to be reasonable; and
 - (e) you provide us with the necessary information to determine that the fee is reasonable as requested by us.
31. If an eligible apprentice or trainee withdraws from a programme, you must notify us of the withdrawal via ITR in compliance with existing funding conditions and operational requirements.
 32. For the purposes of clause 31, a “withdrawal” is when an apprentice or trainee ceases to participate in a programme (regardless of whether they have been refunded any fees) because:
 - (a) the apprentice or trainee provides notice to your organisation that they wish to withdraw participation; or
 - (b) the apprentice or trainee is no longer subject to a training agreement; or
 - (c) of non-attendance or non-participation for any reason.
 33. You must immediately notify us if you become aware of information that indicates that an eligible apprentice or trainee should not have been determined by us to be eligible.
 34. You must provide us with any information we request, by the time we specify, to enable us to determine whether you are complying with the terms and conditions specified in this letter.
 35. Unless clause 36 applies, you must refund the amount of any fees collected from apprentices or trainees, or from others on behalf of apprentices or trainees, if we pay that amount in respect of the fees under this agreement, as soon as possible. If you are contractually obligated to make refunds to another party (including, in the case of fees covered by the Student Loan Scheme, to the Ministry of Social Development), you must refund that party as soon as possible.
 36. In the case of a programme for which delivery commenced before 1 July 2019 and continues after 1 July 2020, following notification from you, we may decide that part or all of the fees that relate to training delivered after 1 July 2020 do not need to be refunded to an apprentice or trainee. If we have paid you fees on behalf of an apprentice or trainee in relation to that training, you must return the funding to us as soon as possible, or it will be reconciled in accordance with clause 27, whichever method is notified to you by us.
 37. If fees are not being charged to, or fees have been reduced for, apprentices or trainees as at 1 July 2020, no amount will be payable, or only the reduced amount will be payable, except if, on application, we approve payment of fees, or a higher amount than the reduced amount, under the TTAF in the following circumstances:
 - (a) you reduced or removed your fees as a result of COVID-19 during 2020; or

- (b) you have had, or anticipate, a significant recent reduction in revenue that requires you to begin charging fees, or increase your fees, and you are charging fees for all or most of your delivery; or
 - (c) you have had, or anticipate, a significant recent reduction in revenue, that requires you to begin charging fees, and the decision to begin charging or increasing fees relates to a specific reduction in revenue that has occurred as a result of external persons or entities stopping or reducing payments to the TEO as a result of you receiving TAF funding; or
 - (d) you provide us with another reason for beginning to charge fees, or increasing fees, and we are satisfied that there are circumstances that justify such a change.
38. We will only make payments to you in the circumstances described in clause 37 if you have provided us with sufficient evidence to allow us to be satisfied that one of the specified circumstances applies.
39. Nothing in this agreement affects any obligations you have to notify us of students that are eligible for fees free under the fees free tertiary education initiative.

Monitoring

40. We will actively monitor:
- (a) your compliance with the terms and conditions specified in this letter;
 - (b) the information you provide us to confirm the eligibility of apprentices or trainees;
 - (c) significant enrolment growth;
 - (d) enrolment transfers;
 - (e) withdrawals;
 - (f) retention of apprentices or trainees;
 - (g) valid apprentice and trainee enrolments; and
 - (h) any other substantial changes in the nature of your delivery.
41. We will undertake our monitoring activities through:
- (a) reviewing and analysing the information you provide us;
 - (b) reviewing and analysing information we receive from other sources;
 - (c) auditing your compliance with the terms and conditions set out in this letter through our regular audit processes; and
 - (d) initiating an investigation if we become concerned about anything that we think may put apprentices' or trainees' interests or public money at risk.

42. You must work collaboratively with us, if required by us, to resolve any issues that may arise if there are substantial changes in the nature of your delivery.

Systems

43. You must put in place appropriate systems to ensure that, if we have paid any amount in respect of an eligible apprentice or trainee, you do not charge the apprentice or trainee in respect of any amount paid by us, in accordance with your funding conditions.
44. You must inform each eligible apprentice or trainee as to:
 - (a) the programmes in which the apprentice or trainee is enrolled; and
 - (b) the amount of fees we have paid you on behalf of the apprentice or trainee.
45. The information you are required to provide in paragraph 44(a) and 44(b) must be the most accurate information you have at the time it is provided.

Privacy

46. You must ensure that each apprentice or trainee who you enrol and who receives fees support through the TTAFF is made aware that:
 - (a) you will disclose their personal information to us to enable us to operationalise Free Trades Training; and
 - (b) we will disclose their personal information to you to enable you to operationalise Free Trades Training;
 - (c) we will disclose their personal information to the Ministry of Education, New Zealand Qualifications Authority, the Ministry of Social Development, and Inland Revenue to enable those agencies to operationalise Free Trades Training (and if the trainee is also eligible for the Apprenticeship Boost Initiative, to operationalise that initiative).

In-year adjustments

47. If we receive information that an apprentice or trainee should not have been determined by us to be eligible, we will advise you as soon as practicable.
48. We are not liable to pay you fees on behalf of an apprentice or trainee who should not have been determined by us to be eligible if you have failed to comply with a condition in this Agreement (such as the requirement to notify us immediately if you become aware of information that indicates that an apprentice or trainee should not have been determined by us to be eligible).
49. If paragraph 48 applies, you may invoice the apprentice or trainee for the total fees, and their component parts, that the apprentice or trainee is liable to pay.
50. We are not liable to pay you fees on behalf of an apprentice or trainee to the extent that their fees have been paid through the fees free tertiary education initiative.

51. If you receive a payment that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-payment as a debt due to the Crown that:
- (a) is repayable on demand; and
 - (b) may be set-off against any payment, or any sum of money payable by us to you.

Contact person

52. If you have any questions, please contact your key contact or the Customer Contact Group, customerservice@tec.govt.nz
53. Further information on the Free Trades Training initiative can be found [here](#).

Acceptance of all of the terms and conditions of payment

54. Please confirm your acceptance of all of the terms and conditions specified in this letter by printing two copies of this letter and signing both copies in the space provided below, initialling each page, and returning a signed copy to us on or before 6 July 2020. This should be completed by the Chair, or Chief Executive of your organisation, or the person with the delegated authority to sign the letter.

Signature:

Name:

Organisation:

Date:

55. Please return to the Customer Contact Group, customerservice@tec.govt.nz on or before 6 July 2020. You should keep the other copy for your records. You must use the subject 'Your [Edumis] – Free Trades Training Agreement' in your email communication.

Nāku noa, nā

Gillian Dudgeon
Deputy Chief Executive, Delivery