

Hon Penny Simmonds

Minister for the Environment
Minister for Tertiary Education and Skills
Associate Minister for Social Development and Employment



Dr Wayne Ngata
Acting Chair
Tertiary Education Commission
PO Box 27-048
Wellington 6141

Dear Wayne,

Determination of Design of Funding Mechanism: Gateway

I am writing to advise you of a determination of the design of a funding mechanism, under section 419 of the Education and Training Act 2020 (the Act), for Gateway.

The determination is set out in the appendix to this letter. The determination covers the funding of provision delivered from 1 January 2025.

Gateway is part of the Youth Guarantee set of initiatives, which support students to achieve NCEA Level 2 and transition into further study or employment. Gateway placements help students gain skills needed by industry through workplace-based learning and support secondary to tertiary institutions.

Under section 422 of the Act, it is the responsibility of the Tertiary Education Commission (TEC) to develop the details needed to implement my determinations of the design of funding mechanisms.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Penny Simmonds'.

Hon Penny Simmonds
Minister for Tertiary Education and Skills

DETERMINATION OF DESIGN OF FUNDING MECHANISM: GATEWAY

PRELIMINARY PROVISIONS

Statutory authority

1. This determination, which is made under section 419 of the Education and Training Act 2020 (the Act), specifies the design of the funding mechanism for Gateway.

Purpose

2. The purpose of funding Gateway provision is to enable secondary State, State-integrated, or charter schools to give senior students opportunities to access quality, structured workplace learning that is integrated with school-based learning.
3. Through Gateway, students have their learning assessed in the workplace and can achieve credits, which may align to one or more Vocational Pathways, toward the National Certificate of Educational Achievement (NCEA) or other qualifications on the New Zealand Qualifications and Credentials Framework (NZQCF).

Off-plan funding

4. The Tertiary Education Commission (TEC) must pay Gateway funding under section 428 of the Act.

PART ONE: THE FUNDING MECHANISM

General parameters

Effective period dates

5. This funding mechanism applies to funding for provision from 1 January 2025.
6. The TEC may exercise any of its administrative functions as required to give effect to this funding mechanism outside of this date.

Available funding

7. The total amount of Government funding that can be allocated under this funding mechanism will be set through the Government's annual budget processes.

Funding formula and rates

8. The TEC must fund a school for the number of eligible students enrolled in the Gateway programme, up to the number of students agreed between the school and the TEC.
9. The TEC must determine funding rates for Gateway provision and notify the rates to eligible schools.

School eligibility

10. The TEC may only fund a school under this funding mechanism if the school is:
 - a. a secondary State, State-integrated, or Charter school; and
 - b. is reviewed by the Education Review Office as part of their regular review programme.

Eligibility of students

11. The TEC must ensure that a school that receives funding under this funding mechanism only uses that funding for eligible students.
12. To be an eligible student, a student must be:
 - a. a domestic student as defined in section 10(1) of the Act; and
 - b. enrolled at a State, State-integrated, or Charter school; and
 - c. in year 11 or above.

Eligible programmes

13. The TEC must ensure that a school that receives funding under this funding mechanism only uses that funding for a programme of study or training or a micro-credential that:
 - a. has credits that contribute to the NCEA or another qualification on the NZQCF; and
 - b. allows each eligible student to participate in structured workplace learning, including the assessment and recognition of workplace learning in the form of credits; and
 - c. integrates workplace learning with each eligible student's wider course of study.
14. The TEC must encourage schools offering an eligible Gateway programme to align the programmes and credits, where appropriate, to one or more of the following six Vocational Pathways:
 - a. Primary Industries;
 - b. Service Industries;
 - c. Social and Community Services;
 - d. Manufacturing and Technology;
 - e. Construction and Infrastructure; and
 - f. Creative Industries.
15. Schools that have not previously received Gateway funding from the TEC are eligible to receive an establishment payment set by TEC to assist with the costs of setting up their Gateway programme.

16. It is expected that, on average, eligible students for whom schools receive funding under this funding mechanism will achieve 20 credits toward qualifications on the NZQCF or the NCEA. Credits must be achieved through a school's Gateway programme only, and not through other funded initiatives.

PART TWO: FUNDING CONDITIONS

General Conditions

17. The TEC, in funding an eligible school under this funding mechanism under section 428 of the Act, may impose any conditions on funding that it considers necessary, including, without limitation, conditions for ensuring that funding will achieve the purpose for which it has been provided.

Conditions that the TEC must attach to funding

18. The TEC must impose the following specific conditions on funding provided to each school under this funding mechanism.

Schools

19. The TEC must attach to funding a condition that a school that receives funding under this funding mechanism must meet, and for the length of the funding period continue to meet, all the eligibility criteria specified in paragraph 10 of this funding mechanism.

Students

20. The TEC must attach to funding a condition that a school that receives funding under this funding mechanism must ensure that each eligible student who is enrolled in a Gateway programme meets and continues to meet the criteria specified in paragraph 12 of this funding mechanism.
21. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism must provide eligible students, prior to or during the enrolment process, with a privacy statement which meets criteria set by the TEC about the collection and use of their personal information, and that advises students that their personal information may be disclosed to the TEC, NZQA, the Ministry of Education, the Ministry of Social Development and Inland Revenue, as appropriate.

Programmes

22. The TEC must attach to funding a condition that a school that receives funding under this funding mechanism must ensure that a Gateway programme in which an eligible student is enrolled meets and continues to meet the criteria specified in paragraph 13 of this funding mechanism.

School responsibilities

23. The TEC must attach to funding a condition that a school that receives funding under this funding mechanism:
 - a. must not use funding provided under this funding mechanism to:

- (i) fund driver's license training, except where a student is required to obtain a specific class of driver's license to complete the workplace learning programme;
 - (ii) fund the cost of school space;
 - (iii) purchase equipment other than equipment that is used for Gateway programmes; or
 - (iv) fund school office or administrative services other than services specifically for Gateway programmes; and
- b. must not charge a tuition fee, or course or equipment costs for Gateway programmes to eligible students; and
 - c. must ensure that each eligible student has the equipment that is essential for their work placement, including tools, equipment, safety clothing and tuition material; and
 - d. must comply with any administrative requirements specified by the TEC; and
 - e. must ensure that each Gateway placement employer is aware of its employer obligations and that the workplace is appropriate for structured workplace learning; and
 - f. must ensure that each eligible student is aware of their obligations while in a Gateway workplace learning placement; and
 - g. must ensure that students are not paid while undertaking a Gateway workplace learning placement; and
 - h. must meet minimum performance standards specified by the TEC.
24. The TEC must attach to funding a condition that a school that receives Gateway funding under this funding mechanism must provide the TEC with access to its premises, employees, and information for the purposes of:
- a. inspecting the records that the school must keep; or
 - b. auditing the school's compliance with funding conditions and requirements in the Act.

No other funding

25. The TEC must attach to funding a condition that a school that receives funding under this funding mechanism:
- a. must not (without the TEC's prior written consent) seek or obtain any funding from any Crown source other than the TEC to fund Gateway provision which is funded under this funding mechanism; and
 - b. must notify the TEC immediately if it becomes aware of any circumstances that might result in a breach of sub-paragraph (a) of this condition.

Responsible use of funding

26. The TEC must attach to funding a condition that a school that receives funding under this funding mechanism must use the funding:
- a. lawfully, responsibly, and for the purposes for which the funding is provided; and
 - b. in a manner consistent with the appropriate use of public funds.

Recovery of over funding

27. The TEC must attach to funding a condition that if a school receives funding under this funding mechanism that is greater than it should have been, or that it was not entitled to receive, the school must treat the amount of the over-funding as a debt due to the Crown that:
- a. is repayable on demand; and
 - b. may be set-off against all or any funding, or any sum of money payable by the TEC to the school.
28. The TEC must provide the school with reasonable notice before exercising its right to demand repayment or set-off the debt against any or all funding.

TEC administrative responsibilities

29. If a school receives funding under this funding mechanism that is less than it should have been, or that it was entitled to receive, the TEC must treat the amount of the under-funding as a credit and pay the amount of the under-funding as soon as reasonably practicable.