

**Tertiary Education
Commission**

Te Amorangi Mātauranga Matua



2023 Global Wash-up Methodology

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The Tertiary Education Commission

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Our approach to calculating the 2023 wash-up

This document provides the 2023 methodology and technical specifications for calculating funding wash-ups for the funds listed below.

Foundation and Youth Transition Funds

- › Adult and Community Education (ACE):
 - › ACE (Communities)
 - › ACE (Schools) (including ACE (Schools) co-ordination funding)
 - › ACE in TEIs
 - › ACE Emergency Management Pool
 - › ACE Search and Rescue

- › Literacy and Numeracy (LN) and English for Speakers of Other Languages (ESOL):
 - › Intensive Literacy and Numeracy – ESOL
 - › Intensive Literacy and Numeracy – Refugee English
 - › Intensive Literacy and Numeracy
 - › TEO-Led Workplace Literacy and Numeracy Fund

- › Delivery at Levels 1 and 2 on the New Zealand Qualifications and Credentials Framework (DQ1-2) Fund:
 - › DQ1-2, including Special Supplementary Grant for Special Education (SSG)

- › Youth Funds:
 - › Gateway
 - › Youth Guarantee (YG) and YG Premium Payment

Vocational Funds

- › Delivery at levels 3–7 (non-degree) on the New Zealand Qualifications and Credentials Framework and all industry training (DQ3-7) Fund

- › Māori and Pasifika Trades Training (MPTT):
 - › MPTT Fees Top-Up
 - › MPTT Brokerage Monthly
 - › MPTT Consortium Activities
 - › MPTT Consortium Learner Support

Degree and Research Funds

- › Delivery at Levels 7 (degree) and above on the New Zealand Qualifications and Credentials Framework (DQ7+) Fund:
 - › DQ7+ Fund
 - › DQ7+ Fund – Secondary Initial Teacher Education

Other Funds

- › Fees Free Payments

- › Secondary Tertiary Interface – Trades Academy

- › Medical Trainee Intern Grants

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How we calculate your wash-up

1

We calculate your **2023 Final Amended Allocation** (inclusive of in-year amendments, additional allocations and on hold payments) to 31 December 2023.

2

We calculate **2023 Total Delivery (Dollars)**¹ by taking your Actual (reported) Delivery less any condition offsets and adjustments. This includes any specific condition offsets, exemptions and adjustments.



3

We calculate **(Under)/Over Delivery** by taking your **2023 Total Delivery Dollars** less your **2023 Final Amended Allocation**.

4

We calculate **Funding Recovery** and/or **Wash-up payments** (including Flexible Funding).

- › **Where under-delivery has occurred**, we will recover based on your 2023 Final Amended Allocation and the 2023 Total Delivery Dollars based on your most recent 2023 delivery data.
 - › Recovery is calculated against 99% of the Final Amended Allocation² for:
 - › DQ1-2 Fund
 - › DQ3-7 Fund
 - › DQ7+ Fund
 - › Recovery is calculated against 100% of the Final Amended Allocation for all other funds.
- › **Where over-delivery has occurred**, payments will be made up to the flexible funding threshold or to the value of the over-delivery, where applicable.

¹ Where 2023 Total Delivery (Dollars) is calculated using fund specific units and formula, eg, learner hours, EFTS.

² Except for TEOs with zero delivery, where recovery is calculated against 100% of the Final Amended Allocation.

Timeline for finalising wash-ups

1. Most funding wash-ups will be calculated in March 2024, with recovery or payments occurring **1 April 2024**.
2. Where delivery is reported in the Industry Training Register (ITR), wash-ups will be calculated in April 2024, with recovery or payments occurring **1 May 2024**. The providers listed below receive both provider-based and work-based funding, and will have associated payment/set-off for all their funds on **1 May 2024**:
 - › Marine and Specialised Technology Academy of NZ (6034)
 - › Industry Connection for Excellence (6661)
 - › Te Pūkenga – New Zealand Institute of Skills and Technology (6683)
 - › St John New Zealand (7321)
 - › Ignite Colleges Limited (7502)
 - › Apprentice Training New Zealand 2010 Trust (7741)
 - › Strategi Institute Limited (7963)
 - › Vertical Horizons New Zealand Limited (8199)
 - › Skills4Work Limited (9130), and
 - › Builders Academy New Zealand Limited (9436).
3. All Fees-Free delivery is reported through Workspace 2, and the wash-ups will be calculated in March 2024, with recovery or payments occurring **1 April 2024**.
4. Where delivery is reported in the Single Data Return (SDR) and/or Workspace 2 reports, wash-up letters will be sent no later than **15 March 2024** (10 working days before 1 April 2024).

Reminders and changes from prior years

Funding Guarantee – for 2020 funding only

The Funding Guarantee, which was applied to 2020 funding, waived the recovery of unused funding for many funds administered by the TEC. It was not applied in 2021 or 2022, and it will not be applied in 2023.

Treatment of Te Pūkenga – New Zealand Institute of Skills and Technology

Consolidation of prior institutes of technology and polytechnics: We will continue to wash up Te Pūkenga as a consolidated entity of all prior institutes of technology and polytechnics. For Flexible Funding calculations, the External Evaluation and Review (EER) does not apply to Te Pūkenga.

Trades Academies: Trades Academies that are administered by the subsidiaries of Te Pūkenga will be washed up **collectively** under Te Pūkenga.

Apprenticeships: Manual adjustments occurring to the Managed Apprenticeships value of delivery (between work-based and provider-based reported provision) for Te Pūkenga and Builders Academy and Skills4Work. TEOs have provided a split between provider-based mode and work-based mode at the qualification level. The split is then used to calculate the actual delivery of related modes of delivery, which will inform the value of delivery in the wash-up calculation.

Flexible Funding calculation for providers with both DQ3-7 (SDR/provider-based) and DQ3-7 (ITR/work-based)

To determine the course and/or credit completion rate necessary for Flexible Funding, the underlying **credit achievement** is used for both provider-based and work-based components of the calculation.

Treatment of over-delivery of YG Level 3 EFTS

If you have been allocated YG Funding to deliver qualifications at Level 3 on the NZQCF, you must not exceed that allocation for the Level 3 delivery. If you deliver more provision than you have been allocated (e.g. your YG level 3 delivery is greater than your YG Level 3 commitment), we will reduce delivery by the amount of level 3 over-delivery as an offset.

Treatment of ACE (Schools) Coordination

Unused ACE (Schools) Coordination funding remains recoverable in 2023, as it was in 2022.

Validation of ESOL learners against SDR

Reported ESOL Refugee English learners are validated against the SDR data. Where ESOL Refugee English learners are not validated against the SDR, the reported learners and associated value of delivery will be offset against the total reported value of delivery.

Treatment of the Youth Guarantee – Wellbeing subsidy

There is no wash-up calculation made on the YG Wellbeing Subsidy funding.



Foundation, Community and Youth Transition Funds

ACE (Communities)

Purpose of the fund

The Adult and Community Education (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.

To be eligible for funding, programmes must be designed to do one or more of the following:

- › improve employability
- › promote social and cultural inclusion and participation
- › raise foundation skills through courses in literacy, numeracy or digital literacy
- › improve health and wellbeing.

How we calculate your wash-up

We will recover funding if you deliver less than 100% of your allocated ACE (Communities) funding. We will recover the difference between the total delivery (dollars) and 100% of allocated ACE (Communities) funding.

Recoveries are based on:

Data:	Your most recent actual delivery data as submitted through Workspace 2 for the 2023 year.
Unit of Delivery:	The expected total learner hours .
Rates:	There is no fixed rate for ACE (Communities) funding as the funding allocation, course funding rate, mix of provision (MoP) and contracted volume of delivery is agreed with each TEO through the Plan process.

Delivery thresholds for recovery:

Over:	N/A – No payments made for over-delivery.
Under:	100% – All under-delivery is recovered.

Funding determinations and conditions:

Delegations and mechanisms	2023 Funding Mechanism for ACE (TEC Website) – Paragraphs 36, 37
Funding Conditions Catalogue	Repayment of funding – Section 12, p. 20

Repayment of ACE (in Communities) Funding

- a. If you receive ACE (Communities) Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-Funding as a debt due to the Crown that:
 - i. is repayable on demand; and

- ii. may be set-off against all or any Funding, or any sum of money payable by us to you.
- b. Te Pūkenga, a wānanga, a PTE, a REAP provider or a community organisation will have received Funding that was greater than it should have been if it delivered less ACE provision than it was funded for. In that situation, we will recover the difference between the amount of provision delivered and the ACE (Communities) Fund Funding provided.

ACE (Schools) (excluding ACE (Schools) coordination funding)

Purpose of the fund

The purpose of the Adult and Community Education (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.

Programmes that are eligible for funding must be designed to do one or more of the following:

- › improve employability
- › promote social and cultural inclusion and participation
- › raise foundation skills through courses in literacy, numeracy or digital literacy
- › improve health and wellbeing.

How we calculate your wash-up

We will recover funding if you deliver less than 100% of your allocated ACE (Schools) funding. We will recover the difference between the total delivery (dollars) and 100% of allocated ACE (Schools) funding.

Recoveries are based on:

Data:	Your most recent actual delivery data as submitted through Workspace 2 for the 2023 year.
Unit of Delivery:	Your expected total learner hours .
Rates:	We use the 2023 ACE (Schools) funding rates to calculate your actual delivery at an hourly rate of \$10.28 (GST exclusive).

Delivery thresholds for recovery:

Over:	N/A – No payments made for over-delivery.
Under:	100% - All under-delivery is recovered.

Funding determinations and conditions:

Delegations and mechanisms	2023 Funding Mechanism for ACE (TEC Website) – Paragraphs 36, 37
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Repayment of ACE (in Schools) Funding

- a. If you receive ACE (Schools) Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-Funding as a debt due to the Crown that:
 - i. is repayable on demand; and
 - ii. may be set-off against all or any Funding, or any sum of money payable by us to you.
- b. A State or State-integrated school will have received funding that was greater than it should have been if it delivered less ACE provision (calculated in enrolled hours) than it was funded for. In that situation, we will recover the difference between the amount of provision delivered and the ACE (Schools) Fund Funding provided. We will determine the amount of Funding delivered using the hourly rate of \$10.28 (excluding GST).

For example: A school had planned delivery of 9,800 hours and is funded for 9,800 hours x \$10.28 (\$100,744.00). If the school's enrolments were for 9,600 hours, being 200 hours less than planned, then we will recover 200 x \$10.28 (\$2,056.00).

ACE (Schools) coordination funding

Purpose of the fund

The purpose of ACE (Schools) Coordination Funding (Coordination Funding) is to help grow ACE (Schools) priority provision. It should be used to support initial setup costs related to providing ACE (Schools) for the first time, growing existing provision in priority areas, or expanding into different priority areas of provision.

Coordination Funding is one-off funding and needs to be reapplied for each year. As Coordination Funding has a separate funding (analysis) code, we have made an adjustment that excludes Coordination Funding from the 2023 final allocation totals for the base ACE (Schools) wash-up calculation.

How we calculate your wash-up

We will recover funding if you deliver less than 100% of your allocated ACE (Schools) coordination funding. We will recover the difference between the total delivery (dollars) and 100% of allocated ACE (Schools) coordination funding.

Recoveries are based on:

Data:	Your most recent actual delivery data as submitted through Workspace 2 in your 2023 Actual Coordination Funding Expenditure Report.
Unit of Delivery:	

Rates:	We use your ACE (Schools) coordination allocation provided against your actual delivery in ACE (Schools) coordination.
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Delivery thresholds for recovery:

Over:	N/A – No payments made for over-delivery.
Under:	100% – All under-delivery is recovered.

Funding determinations and conditions:

Delegations and mechanisms	2023 Funding Mechanism for ACE (TEC Website) – Paragraphs 36, 37
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Repayment of ACE (in Schools) Coordination Funding

We will recover all unspent ACE (Schools) Coordination Funding.

Recoveries will be based on:

- › 2023 ACE (Schools) Coordination Funding Final Allocation
- › the latest 2023 Actual Coordination Funding Expenditure Report.

Calculation steps

1. Calculate the Final Allocation (funding analysis code 9999 - 10217).
2. Calculate the Actual Spending based on the 2023 Actual Coordination Funding Expenditure Report.
3. Calculate the under/over-spending informing the wash-up value.

Where under-spending has occurred, we will recover it. Where over-spending has occurred, no additional payment will be made. If no 2023-year end Coordination Funding expenditure report is provided, all funding will be recovered.

ACE in TEIs (including ACE in TELAC)

Purpose of the fund

The purpose of the Adult and Community Education (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.

Programmes that are eligible for funding must be designed to do one or more of the following:

- › improve employability
- › promote social and cultural inclusion and participation
- › raise foundation skills through courses in literacy, numeracy or digital literacy
- › improve health and wellbeing.

The ACE in TELAC funding delivers advice to adults with low skills and qualifications. It promotes how tertiary education increases their opportunities, provides advice about the different options available, and encourages them to make the most of these opportunities.

How we calculate your wash-up

We will recover funding if you deliver less than 100% of your allocated ACE in TEIs funding. We will recover the difference between the total delivery (dollars) and 100% of allocated ACE in TEIs funding.

Recoveries are based on:

Data:	Your most recent actual delivery of equivalent full-time students as submitted through the December 2023 Single Data Return (SDR) .
Unit of Delivery:	Equivalent Full-Time Student (EFTS) .
Rates:	We use the 2023 ACE in TEIs funding rates to calculate your actual delivery at a rate of \$4,779.00 per EFTS .

Delivery thresholds for recovery:

Over:	N/A – No payments made for over-delivery.
Under:	100% – All under-delivery is recovered.

Funding determinations and conditions:

Delegations and mechanisms	2023 Funding Mechanism for ACE (TEC Website) – Paragraphs 36, 37
Funding Conditions Catalogue	Repayment of funding – Section 12, p. 20

Repayment of ACE (in TEIs) Funding

- a. If you receive ACE (Communities) Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that:
 - i. is repayable on demand; and
 - ii. may be set-off against all or any funding, or any sum of money payable by us to you.
- b. Te Pūkenga, a wānanga, a PTE, a REAP provider or a community organisation will have received funding that was greater than it should have been if it delivered less ACE provision than it was funded for. In that situation, we will recover the difference between the amount of provision delivered and the ACE Fund Funding provided.

Note: ACE in TELAC is **non-recoverable**.

ACE Emergency Management Pool

Purpose of the fund:

The Adult and Community Education (ACE) Fund provides for community-based education that meets community learning needs. The Emergency Management (ACE) Fund supports volunteers in civil defence emergency management and fire-fighting to get the training and accreditation they need to perform emergency management operations.

The Emergency Management (ACE) Fund focuses on training volunteers. We prioritise funding for targeted, skills-based programmes that lead to credits and unit standards, short awards and micro-credentials.

The National Emergency Management Agency (NEMA) has been selected as the emergency management coordination body for the civil defence emergency management sectors. It also advises us on volunteer training needs and funding.

We fund NEMA to provide emergency management training to learners who are enrolled in quality-assured training courses or activities that NEMA nominates.

How we calculate your wash up:

We will recover funding if you deliver less than 100% of your allocated ACE Emergency Management funding. We will recover the difference between the total delivery (dollars) and 100% of allocated ACE Emergency Management funding.

Recoveries are based on:

Data:	Your most recent actual delivery volume data (measured by actual hours), submitted through Workspace 2 .
Unit of Delivery:	Your actual learner hours .
Rates:	We use your ACE Emergency Management Pool allocation provided against your actual delivery (ie, 50% delivery of learner hours means 50% recovery).

Delivery thresholds for recovery:

Over:	N/A – No payments made for over-delivery.
Under:	100% – All under-delivery is recovered.

Funding determinations and conditions:

Delegations and mechanisms	2021 Funding Mechanism for ACE SAR (TEC Website)
Reference	Repayment of funding – per TEC MOU with provider

Repayment of ACE (Emergency Management) Funding

- a. If NEMA receives Training Delivery Funding that is greater than it should have been, or that NEMA was not entitled to receive, NEMA must treat the amount of the over-funding as a debt due to the Crown that:
 - i. is repayable on demand; and
 - ii. may be set-off against all or any funding, or any sum of money payable by the TEC to NEMA.
- b. The TEC will consider that NEMA has received Training Delivery Funding that was greater than it should have been if NEMA does not deliver all the learning hours specified in the Mix of Provision. In that situation, the TEC will recover the difference between NEMA's actual volume of delivery and the Training Delivery Funding it has received.
- c. Volume of delivery will be calculated using, for each training course or activity, the number of learner enrolments specified in the agreed Mix of Provision.
- d. If NEMA does not enrol the number of learners in a civil defence emergency management training course or activity as specified in the agreed Mix of Provision, the TEC will recover the unused Training Delivery Funding at the training course or activity rate agreed to in the Mix of Provision.
- e. If more learners are enrolled in a training course or activity than the number specified in the Mix of Provision, the over-delivery will be off-set against under-delivery in any other training course or activity agreed to in the Mix of Provision (up to the maximum Training Delivery Funding allocated).

Note: The coordination fee is non-recoverable (as it is paid from operations funding – not grants).

ACE Search and Rescue

Purpose of the fund

The Adult and Community Education (ACE) Fund provides for community-based education that meets community learning needs. The Search and Rescue (ACE) Fund supports search and rescue volunteers to get training and accreditation they need to perform search and rescue operations.

The Search and Rescue (ACE) Fund focuses on training of volunteers. We prioritise funding for targeted, skills-based short awards (under 40 credits each), including micro-credentials.

We fund the Ministry of Transport to provide search and rescue training to learners who are nominated by New Zealand Search and Rescue (NZSAR), or by NZSAR-recognised organisations. NZSAR provides strategic leadership to the New Zealand Search and Rescue sector, and works alongside organisations and individuals that provide search and rescue services.

How we calculate your wash up

We will recover funding if you deliver less than 100% of your allocated ACE Search and Rescue funding. We will recover the difference between the total delivery (dollars) and 100% of allocated ACE Search and Rescue funding.

Recoveries are based on:

Data:	Your most recent actual delivery volume data (measured by actual hours), submitted through Workspace 2 .
Unit of Delivery:	Your actual learner hours .
Rates:	We use your ACE Search and Rescue allocation provided against your actual delivery (ie, 50% delivery of learner hours means 50% recovery).

Delivery thresholds for recovery:

Over:	N/A – No payments made for over-delivery.
Under:	100% – All under-delivery is recovered.

Funding determinations and conditions:

Delegations and mechanisms	2021 Funding Mechanism for ACE SAR (TEC Website)
Reference	Repayment of funding – per TEC MOU with provider

Repayment of ACE (Emergency Management) Funding

- a. If the Ministry of Transport receives Training Delivery Funding that is greater than it should have been, or that the Ministry was not entitled to receive, the Ministry agrees to treat the amount of over-funding as a debt due the TEC that:
 - i. is repayable on demand; and
 - ii. may be set-off against all or any funding, or any sum of money payable by the TEC to the Ministry.
- b. The TEC will consider that the Ministry has received Training Delivery Funding that was greater than it should have been if the Ministry does not deliver all of the learning hours specified in the Mix of Provision. In that situation the TEC will recover the difference between the Ministry's actual volume of delivery and the Training Delivery Funding it has received.
- c. Volume of delivery will be calculated using, for each training course or activity, the number of learner enrolments specified in the agreed Mix of Provision.
- d. If the Ministry does not enrol the number of learners in a search and rescue training course or activity as specified in the agreed Mix of Provision, the TEC will recover the

unused Training Delivery Funding at the training course or activity rate agreed to in the Mix of Provision.

- e. If more learners are enrolled in a training course or activity than the number specified in the Mix of Provision, the over-delivery will be off-set against under-delivery in any other training course or activity agreed to in the Mix of Provision (up to the maximum Training Delivery Funding allocated)

Note: The coordination fee is non-recoverable (as it is paid from operations funding - and not grants).

Intensive Literacy and Numeracy – ESOL

Purpose of the fund

The Intensive Literacy and Numeracy Fund – English for Speakers of Other Languages (ILN – ESOL) 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,
- › raise adults’ literacy and numeracy skills to help learners progress onto further study and employment, and
- › improve the quality and relevance of provision, including the ability to identify learner need and learning gain.

How we calculate your wash up

We will recover funding if you deliver less than 100% of your allocated ILN ESOL funding. We will recover the difference between the total delivery (dollars) and 100% of allocated ILN ESOL funding.

Recoveries are based on:

Data:	Your most recent actual delivery data (measured by total face-to-face delivery hours), as submitted through Workspace 2 .
Unit of Delivery:	Your actual delivery hours .
Rates:	We use the 2023 Intensive Literacy and Numeracy – ESOL funding rates to calculate your actual delivery at a rate of \$20.17 per hour delivered .

Delivery thresholds for recovery:

Over:	N/A – No payments made for over-delivery.
Under:	100% – All under-delivery is recovered.

Funding determinations and conditions:

Delegations and mechanisms	2023 Funding Mechanism for ESOL (TEC Website) – Paragraphs 41, 42
Funding Conditions Catalogue	Repayment of funding – Section 11, p. 76

Repayment of ILN ESOL Funding

- a. If you receive ILN ESOL Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that:
 - i. is repayable on demand; and
 - ii. may be set-off against all or any funding, or any sum of money payable by us to you.
- b. For the purposes of this Condition, we will determine whether you have received funding that was greater than it should have been by subtracting the total number of tuition hours delivered in the calendar year (based on actual attendance) from the hours approved in your Funding Confirmation Letter.

Intensive Literacy and Numeracy – Refugee English

Purpose of the fund

The purpose of the Specialised English for Speakers of Other Languages (ESOL) – Refugee English (ILN Refugee English) Fund 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 ILN Refugee English Fund must be delivered without fees and lead to a recognised ESOL qualification at level 3 or above on the New Zealand Qualifications and Credentials Framework.

How we calculate your wash up

We will recover funding if you deliver less than 100% of your allocated ILN ESOL Refugee English provision funding. We will recover the difference between the total delivery (dollars) and 100% of allocated ILN ESOL Refugee English provision funding.

Recoveries are based on:

Data:	Your most recent actual delivery volume data (measured at the course level), as submitted through Workspace 2 for the 2023 year.
Unit of Delivery:	Your learner places .
Rates:	There is no one fixed rate for ILN Refugee English funding as the funding allocation, course funding rate, mix of provision (MoP) and contracted volume of delivery is agreed with each TEO through the Plan process.

Delivery thresholds for recovery:

Over:	N/A – No payments made for over-delivery.
Under:	100% – All under-delivery is recovered.

Funding determinations and conditions:

Delegations and mechanisms	2023 Funding Mechanism for ESOL (TEC Website) – Paragraphs 41, 42
Funding Conditions Catalogue	Repayment of funding – Section 10, p. 84

Repayment of ILN Refugee English Funding

- a. If you receive ILN Refugee English Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that:
 - i. is repayable on demand; and
 - ii. may be set-off against all or any funding, or any sum of money payable by us to you.
- b. For the purposes of this Condition, we will determine whether you have received funding that was greater than it should have been if you do not deliver all of the places specified in your Investment Plan. This means that if you do not deliver the agreed number of places in your plan, then we will recover all funding associated with those undelivered places.
- c. For ILN – Refugee English, recovery is based on the number of learner places not filled; both learner fees and pastoral care associated with these places will be recovered.

Note: Recovery of unused ILN ESOL Refugee English funding is based on the number of approved learner places not filled and the learner fees to be charged by the TEO if the places had been filled. This means that where a TEO does not deliver the number of places agreed, all ILN ESOL Refugee English funding (learner fees and pastoral care) associated with those unused places is recovered.

Validation of ESOL learners against SDR: Reported ESOL Refugee English learners are validated against the SDR data. Where ESOL Refugee English learners are not validated against the SDR,

the reported learners and associated value of deliver will be offset against the total reported value of delivery.

Intensive Literacy and Numeracy

Purpose of the fund

The purpose of the Intensive Literacy and Numeracy (ILN) Fund is to fund Tertiary Education Organisations (TEOs) for the intensive provision of high-quality literacy and numeracy learning opportunities within an appropriately structured environment.

We fund intensive literacy and numeracy provision to:

- › raise adults' literacy and numeracy skills,
- › 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.

How we calculate your wash up

We will recover funding if you deliver less than 100% of your allocated ILN funding. We will recover the difference between the total delivery (dollars) and 100% of allocated ILN funding.

Recoveries are based on:

Data:	Your most recent delivery volume data (total hours of delivery), as submitted through Workspace 2 .
Unit of Delivery:	Your actual delivery hours
Rates:	We use the 2023 ILN funding rates to calculate your actual delivery at a rate of \$26.89 per delivery hour .

Delivery thresholds for recovery:

Over:	N/A – No payments made for over-delivery.
Under:	100% – All under-delivery is recovered.

Funding determinations and conditions:

Delegations and mechanisms	2023 Funding Mechanism for LN (TEC Website) – Paragraphs 13, 14
Funding Conditions Catalogue	<i>Repayment of funding</i> – Section 10, p. 69

Repayment of ILN Funding

- a. If you receive ILN Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that:
 - i. is repayable on demand; and
 - ii. may be set-off against all or any funding, or any sum of money payable by us to you.
- b. For the purposes of this Condition, we will determine whether you have received ILN Fund Funding that was greater than it should have been by subtracting the total number of tuition hours delivered in the calendar year (based on actual attendance) from the hours approved in your Funding Confirmation Letter.

TEO-Led Workplace Literacy and Numeracy Fund

Purpose of the fund

Workplace Literacy and Numeracy (WLN) – TEO-led funding supports the provision of literacy and numeracy programmes for employees to increase their literacy and numeracy skills and contribute to workplace productivity.

This is achieved by providing literacy and numeracy programmes of study or training to employees and supporting workplaces to establish sustainable workplace literacy and numeracy provision.

Initiatives funded through WLN should support high-quality learning that is tailored to the needs of the workplace.

How we calculate your wash up

We will recover funding if you deliver less than 100% of your allocated WLN – TEO Led funding. We will recover the difference between the total delivery (dollars) and 100% of allocated WLN – TEO Led funding.

Recoveries are based on:

Data:	Your most recent actual delivery volume data (total hours of actual face-to-face delivery), as submitted through Workspace 2 .
Unit of Delivery:	Your actual delivery hours .
Rates:	We use the 2023 TEO-led WLN funding rates to calculate your actual delivery at a rate of \$80.66 per delivery hour .

Delivery thresholds for recovery:

Over:	N/A – No payments made for over-delivery.
Under:	100% – All under-delivery is recovered.

Funding determinations and conditions:

Delegations and mechanisms	2023 Funding Mechanism for LN (TEC Website) – Paragraphs 13, 14
Funding Conditions Catalogue	Repayment of funding – Section 10, p. 94

Repayment of TEO-led WLN Funding

- a. If you receive WLN Fund – TEO-led strand Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that:
 - i. is repayable on demand; and
 - ii. may be set-off against all or any funding, or any sum of money payable by us to you.
- b. For the purposes of this Condition, we will determine whether you have received WLN Fund – TEO-led strand Funding that was greater than it should have been by subtracting the total number of tuition hours delivered in the calendar year (based on actual attendance) from the hours approved in your Funding Confirmation Letter.

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

Purpose of the fund

Delivery on the New Zealand Qualifications and Credentials Framework at Levels 1 and 2 (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 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.

Special Supplementary Grant (SSG) Funding is to fund additional tutor support for special education in at TEOs.

How we calculate your wash up

We will recover funding if you deliver less than 99% of your allocated DQ1-2 funding. We will recover the difference between the total delivery (dollars) less condition offsets as detailed below and 99% of allocated DQ1-2 funding.

Recoveries are based on:

Data:	Your most recent actual delivery volume data for DQ1-2 Source of Funding 26 and 28 (at the qualification level), submitted through the December 2023 Single Data Return (SDR) .
Unit of Delivery:	Equivalent Full-Time Student (EFTS) .
Rates:	We use the 2023 DQ1-2 funding rates to calculate your actual delivery at a rate based on table below per EFTS .

Delivery thresholds for recovery:

Over:	N/A – No payments made for over-delivery.
Under:	99% (100% for TEOs with zero delivery) .

Funding determinations and conditions:

Delegations and mechanisms	2023 Funding Mechanism for DQ1-2 (TEC Website) – Paragraphs 54–57
Funding Conditions Catalogue	<i>Repayment of funding</i> – Section 12, p. 49 <i>Early withdrawal of enrolments</i> – Section 6, p. 44 <i>Limit on EFTS values for qualifications</i> – Section, p. 43

Repayment of DQ1-2 Funding

- a. If you receive DQ1-2 Fund Funding and/or SSG Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-Funding as a debt due to the Crown that:
 - i. is repayable on demand; and
 - ii. may be set-off against all or any Funding, or any sum of money payable by us to you.
- b. For the purposes of this Condition, you will have received DQ1-2 Fund Funding that was “greater than it should have been” if the total dollar value of the Fund provision that was delivered by you within the funding year is less than 99% of the total dollar value of the DQ1-2 Fund provision paid to you from DQ1-2 Fund Funding. In that situation, the percentage of Funding that is repayable is equal to the difference between the bottom of the tolerance band (99%) and the percentage value of the provision that was delivered.
- c. We may recover a proportion of your Funding for enrolments above the prior qualification limit.

Early withdrawal of enrolments: We will reduce the dollar value of actual delivery by subtracting enrolments for which students have not completed 10% or one month of the course, whichever is the earlier.

Limit on EFTS values for qualifications: You must not assign an EFTS value of more than 1.0 EFTS per year (being any 12-month period) to a qualification for which you seek approval of DQ1-2 Fund Funding, unless you have received approval from us. In approving an exception to this Condition, we will consider additional criteria, including whether you:

- a. will inform each learner accurately about their higher-than-normal expected study commitments; and
- b. have support mechanisms in place for each learner who has difficulty coping with the intensity of the course.

Note: The Special Supplementary Grant (SSG) for Special Education is **non-recoverable**.

DQ1-2 Rates for 2023

Rate Category	Rates (\$)
Te Reo Māori	\$8,603
English for Speakers of Other Languages	\$8,603
General Foundation Education	\$9,141
Services	\$9,680
Supported Learning	\$13,981
Trades	\$13,981

Gateway

Purpose of the fund

The purpose of Gateway Fund Funding is to enable State and State-integrated New Zealand secondary schools to give senior learners opportunities to access quality, structured workplace learning that is integrated with school-based learning.

Learners have their learning assessed in the workplace and can achieve credits, which may align to one or more Vocational Pathways, towards qualifications on the New Zealand Qualifications and Credentials Framework (NZQCF), particularly at Level 1 or 2, or towards the National Certificate of Educational Achievement (NCEA).

How we calculate your wash up

We will recover funding if you deliver less than 100% of your allocated Gateway funding. We will recover the difference between the total delivery (dollars) and 100% of allocated Gateway funding.

Recoveries are based on:

Data:	Your most recent actual delivery volume data (total number of distinct learner places), submitted through Workspace 2 .
Unit of Delivery:	Your distinct learner count .

Rates:	We use the 2023 Gateway funding rates to calculate your actual delivery at a rate based on the rates outlined for 2023 .
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Delivery thresholds for recovery:

Over:	N/A – No payments made for over-delivery.
Under:	100% – All under-delivery is recovered.

Funding determinations and conditions:

Delegations and mechanisms	2016 Funding Mechanism for Gateway (TEC Website) – Paragraphs 25, 26
Funding Conditions Catalogue	Repayment of funding – Section 6, p. 62

Repayment of Gateway Funding

- a. If you receive Gateway Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that:
 - i. is repayable on demand; and
 - ii. may be set-off against all or any funding, or any sum of money payable by us to you.

Note: The Gateway establishment fee is **non-recoverable**.

Youth Guarantee (YG) and YG Premium Payment

Purpose of the fund

The purpose of Youth Guarantee (YG) Fund Funding is to provide fees-free tertiary study for:

- a. eligible Domestic Students aged 16 to 24 years (inclusive) who are studying towards either:
 - i. the National Certificate of Educational Achievement (NCEA) Level 1, 2 or 3 aligned to the Vocational Pathways, or
 - ii. another qualification at Level 1, 2 or 3 on the New Zealand Qualifications and Credentials Framework (NZQCF), which is intended to enable learners to progress to higher-level education or employment,

which is intended to enable learners to progress to higher-level education or employment; and

- b. eligible Domestic Students aged 16 to 24 years (inclusive) who are studying towards a qualification at Level 3 on the NZQCF. Places at Level 3 on the NZQCF are intended to be prioritised to:
 - i. learners who study towards Level 1 and 2 qualifications through YG and progress to Level 3 study during their entitlement of 2.5 equivalent full-time students (EFTS); and
 - ii. learners who have no or low (Level 1) prior achievement before enrolling in YG.

How we calculate your wash up

We will recover funding if you deliver less than 100% of your allocated YG funding. We will recover the difference between the total delivery (dollars) after Funding Condition offsets and 100% of allocated YG funding.

Calculation steps:

Given the YG fund contains multiple branches of funding (including base YG funding, YG premium funding and the level 3 commitment cap) further detail is provided below on how the YG washup is calculated:

Base YG funding:

- a. Calculate the under- or over-delivery from the base YG funding.
 - › Where YG level 3 delivery is greater than your YG Level 3 commitment, we will reduce delivery by the amount of level 3 over-delivery as an offset.

YG Premium funding:

- b. Calculate the under- or over-delivery from the YG Premium funding.
 - › Where the YG Premium funding relates to a 50% funding premium (“top up”) for level YG delivery across Levels 1–3 courses that lead towards a Level 1 or 2 qualification.

Combine results:

- c. Combine the calculated YG base funding and YG Premium funding under-delivery/over-delivery result to get a net under-delivery/over-delivery across the YG fund.
- d. Where the calculated net YG fund amount results in over-delivery, apply the Flexible Funding criteria, and where met, calculate Flexible Funding with the net YG fund amount.
- e. Calculate overall wash-up.

Recoveries are based on:

Data:	Your most recent actual delivery data (at the qualification level), submitted through the December 2023 Single Data Return (SDR) .
Unit of Delivery:	Equivalent Full-Time Student (EFTS).
Rates:	We use the 2023 YG funding rates to calculate your actual delivery at a rate of \$14,981.00 (for Trades qualifications) and \$11,217.00 (for Non-Trades qualifications) per EFTS . We use the 2023 YG Exceptional Travel funding rates to calculate your actual delivery based on the rates below .

Delivery thresholds for recovery:

Over:	102% or 100% + 10 EFTS, whichever is greater (excluding YG level 3 delivery above YG level 3 commitment)
Under:	100% – All under-delivery is recovered.

Funding determinations and conditions:

Delegations and mechanisms	2023 Funding Mechanism for Youth Guarantee (TEC Website) – Paragraphs 48–51
Funding Conditions Catalogue	Repayment of funding – Section 15, p. 111 Early withdrawal – Section 3, p. 98 TEO not to over-deliver Level 3 EFTS – Section 9, p. 109

Repayment of Youth Guarantee Funding

If you receive YG Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown. This is repayable on demand and may be set-off against all or any Funding, or any sum of money payable by us to you.

Early withdrawal of enrolments: We will reduce the dollar value of actual delivery by subtracting enrolments for which students have not completed 10% or one month of the course, whichever is the earlier.

TEO not to over-deliver Level 3 EFTS: If you have been allocated YG Fund Funding to deliver qualifications at Level 3 on the NZQF, you must not exceed that allocation for the Level 3 delivery. If you deliver more provision at Level 3 on the NZQF than you have been allocated, we will recover YG Fund Funding for the amount of provision that you have over-delivered.

Value of delivery of Level 3 EFTS over the committed value will not be eligible for Flexible Funding.

Note: Excludes Exceptional Travel which is calculated through a separate process.

Flexible Funding

- a. We will allocate you additional YG Fund Funding to that specified in your Funding Confirmation Letter if:
 - i. you are a “qualifying Tertiary Education Organisation (TEO)”, which means you:
 - › have a New Zealand Qualifications Authority (NZQA) External Evaluation and Review (EER) status of Category 1 or 2 (except Te Pūkenga); and
 - › are approved by us to receive a minimum of \$224,340 from the YG Fund for the calendar year, excluding any funding allocated to the Wellbeing and Pathways Support rate; and
 - › have an average 2022 course completion rate of 55% or higher; and
 - ii. the value of provision you actually deliver as measured in dollars (as determined by us), is greater than the value of your approved funding allocation.
- b. The additional funding available to be allocated is up to the following limits, either:
 - i. 2% of your approved funding allocation; or

- ii. 10 EFTS (we will calculate 10 EFTS of delivery using the average EFTS rate of your total actual delivery, as determined by us); whichever is greater.
- c. We may establish criteria to allocate funding above the additional funding limits described in (b) if we have assessed that we have sufficient funding available to provide funding above those limits.

If a TEO receives flexible funding, the TEC must ensure that the TEO is allocated the Wellbeing and Pathways Support funding at the rate specified for each EFTS for which it receives funding.

Youth Guarantee Rates for 2023

Youth Guarantee funding rates: We will calculate your actual delivery at a rate of \$14,981.00 (for Trades qualifications) and \$11,217.00 (for Non-Trades qualifications) per EFTS.

YG Wellbeing and Pathways Support Subsidy funding rates: We will calculate your actual delivery at a rate of \$2,000.00.

YG Exceptional Travel funding rates: We will calculate your actual delivery at a rate per EFTS per the below:

Rate Category	Value
Major urban area	\$0.00
Large urban area	\$0.00
Medium urban area	\$645.00
Small urban area	\$1,075.00
Rural settlement	\$1,075.00
Rural other	\$1,075.00



Vocational Funds

Non-degree delivery at levels 3–7 on the New Zealand Qualifications and Credentials Framework and all industry training (DQ3-7) Fund (delivery and learner components of the Unified Funding System)

Purpose of the fund

The Unified Funding System is designed to incentivise providers to: (a) support learners to transition to work-based training; and (b) enhance support for employers; and (c) increase and improve success and support for all learners; and (d) respond to national and regional skills priorities; and (e) ensure a strong and sustainable regional network of provision.

The non-degree delivery at Levels 3–7 on the New Zealand Qualification and Credentials Framework and all industry training (DQ3-7) Fund comprises two components, including the 'Delivery Component' (with the Strategic Component separate). The purpose of the Delivery Component is to contribute towards the costs of providing vocational education and training.

How we calculate your wash-up

We will recover funding if you deliver less than 99% of your allocated DQ3-7 funding. We will recover the difference between the total delivery (dollars) adjusted for condition offsets as detailed below, and 99% of allocated DQ3-7 funding.

Note on the Learner Component:

The Learner Component funding within the Unified Funding System is **non-recoverable**.

Calculation steps:

Given the DQ3-7 fund contains multiple branches of funding, including DQ3-7 (SDR/provider-based) funding and DQ3-7 (ITR/work-based) funding, further detail is provided below on how the DQ3-7 wash-up is calculated:

DQ3-7 (SDR/provider-based) funding:

- a. Calculate the under- or over-delivery from the DQ3-7 (SDR) funding
 - > Final Amended Allocation
 - > Less calculated delivery
 - > Reported delivery
 - > Less early withdrawal offsets
 - > Less cap breaches

DQ3-7 (ITR/work-based) funding:

- b. Calculate the under- or over-delivery from the DQ3-7 (ITR) funding
 - > Final Amended Allocation (including the December pathway to work allocations)
 - > Less calculated delivery
 - > Reported delivery
 - > Less early withdrawal offsets

Combine results:

- c. Combine the DQ3-7 (SDR) funding and DQ3-7 (ITR) funding under-delivery/over-delivery result to get a net under-delivery/over-delivery.

- d. Where the calculated net DQ3-7 fund amount results in over-delivery, apply the Flexible Funding criteria, and where met, calculate Flexible Funding with the net DQ3-7 fund amount (See “Flexible Funding” section below for details on the Flexible Funding calculation).
- e. Calculate overall wash-up.

Recoveries are based on:

Data:	Your most recent actual delivery volume data, submitted through the December Single Data Return and Industry Training Register .
Unit of Delivery:	Equivalent Full-Time Student (EFTL), which includes Standard Training Measure.
Rates:	We use the 2023 UFS Delivery Component funding rates to calculate your actual delivery at a rate based on table per EFTL .

Delivery thresholds for recovery:

Over:	102% or 100% + 10EFTL, whichever is greater.
Under:	99% (100% for TEOs with zero delivery).

Funding determinations and conditions:

Delegations and mechanisms	2023 Funding Mechanism for DQ3-7 (TEC Website) – Paragraphs 90–93
Funding Conditions Catalogue	Flexible Funding – ‘Flexible Funding’, p. 136 Repayment of funding – Section 18, p. 166 Early withdrawal – Section 7, p. 155

Repayment of DQ3-7 Funding

- a. If you receive DQ3-7 Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-Funding as a debt due to the Crown that:
 - ii. is repayable on demand; and
 - iii. may be set-off against all or any Funding, or any sum of money payable by us to you.
- b. For the purposes of this Condition, you will have received DQ3-7 Fund Funding that was “greater than it should have been” if the total dollar value of the provision that was delivered by you within the Funding Period is less than 99% of the total dollar value for provision paid to you from DQ3-7 Fund Funding. In that situation, the percentage of Funding that is repayable is equal to the difference between the bottom of the tolerance band (99%) and the percentage value of the provision that was delivered.

Early withdrawal of enrolments: We will reduce the dollar value of actual delivery by subtracting enrolments for which students have not completed 10% or one month of the course, whichever is the earlier. Note this only applies to the provider-based mode of delivery.

Flexible Funding

- a. We will allocate you additional DQ3-7 Fund Delivery Component funding to that specified in your Funding Confirmation Letter if:
 - i. you are a “qualifying TEO”, which means you:
 - › have a New Zealand Qualifications Authority (NZQA) External Evaluation and Review (EER) status of Category 1 or 2 (except for universities and Te Pūkenga); and
 - › are approved by us to deliver a minimum of 20 equivalent full-time learners (EFTLs) in 2023; and
 - › as applicable:
 - › for DQ3-7 (non-degree) provider-based and provider-based: extramural modes of delivery, have a course and/or credit completion rate of 70% or higher for provision funded as one of these modes of delivery under the DQ3-7 (non-degree) in 2022;
 - › for DQ3-7 (non-degree) in the work-based: pathway to work, work-based or assessment and verification modes of delivery, have a course and/or credit completion rate of 70% or higher for provision funded as one of these modes of delivery under the DQ3-7 (non-degree) in 2023; and
 - ii. you are a tertiary education institution (TEI) or Private Training Establishment (PTE) and the value of provision you actually deliver (as determined by us), as measured in dollars, is greater than the value of your approved funding allocation.
- b. If you are a TEO that received arranging training functions from transitional industry training Organisations (TITOs) in the 2022 calendar year, and you do not meet the requirement set out in Condition (a)(i)C.I., we will consider you for flexible funding on an individual basis.
- c. The additional DQ3-7 Fund Delivery Component Funding available to be allocated is up to the following limits, either:
 - i. 2% of your approved funding allocation; or
 - ii. 10 EFTLs (we will calculate 10 EFTLs of delivery using the average EFTLs rate of your total actual delivery as determined by us), whichever is greater.
- d. Any additional Funding for DQ3-7 Fund Delivery Component Funding will be calculated using information provided in the December Single Data Return (SDR) and the Industry Training Register (ITR) (as at the 1 April data cut-off).
- e. We may establish criteria to allocate DQ3-7 Fund Delivery Component Funding above the additional Funding limits, if we have assessed that we have sufficient DQ3-7 Fund Delivery Component Funding available to provide Funding above those limits.

Supplementary note: To determine the course and/or credit achievement rate necessary for Flexible Funding for TEOs who deliver **both** DQ3-7 provider-based provision and DQ3-7 work-based provision, both the course completion and credit achievement thresholds need to be separately met.

Capped provision and impact on Flexible Funding: Provision delivered on capped provision delivery: TEOs that deliver on capped provision may meet the eligibility criteria for Flexible Funding, but the provision delivered on a capped provision delivery is not eligible for Flexible Funding (eg, aviation provision – qualifications that include an in-flight training component).

Providers that only deliver provision in aviation (qualifications that include an in-flight training component) are not eligible for flexible funding.

- › 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

Other exceptions or TEO specific matters

University of Waikato and the Certificate of University Preparation (CUP) Programme:

Funding may not be used to deliver more than 150 EFTS for Level 4 from the DQ3-7 Fund Funding for the Certificate of University Preparation (CUP) programme of study under the A1 Funding category from 2023. This is outlined in the Waikato FCL 2023 – Certificate of University Preparation (CUP) programme of study. Actual delivery is identified by Qualification Code WI0290 Certificate of University Preparation.

The TEC will monitor the University of Waikato's CUP delivery and will reduce their dollar value of actual delivery by the full funding for every EFTL delivered above the cap, at the DQ3-7 funding category rate under the A1 Funding category from 2023.

Manual adjustments for Apprenticeship

- The providers have been asked to (1) confirm the MA qualifications and remove/add the MA qualifications to the list, and (2) provide the percentage between the provider-based/provider-based extramural and work-based mode at the qualification level.
- We will use the percentage between the provider-based/provider-based extramural and work-based mode to calculate a revised value of delivery of each mode of delivery
- The value of delivery, above will be used to adjust to the actual deliveries reported via SDR and ITR:
 - manually lower volume and value of provider-based delivery
 - manually increase volume and value of work-based delivery

adjusted values of delivery will be used as part of the year-end wash-up for DQ3-7, and will be implemented through the wash-up models

DQ3-7 Rates for 2023

Subject Category	Provider-based	Extra-mural	Work-based	Pathway to work	Assessment and Verification
Humanities, Business and Social Service Vocations (F1)	\$5,574	\$4,881	\$5,297	\$6,412	\$1,541
Trades, Creative Arts, Information Technology and Health-related Professions (F2)	\$8,863	\$4,881	\$7,270	\$9,043	\$1,541
Agriculture, Engineering, Health Sciences and Science (F3)	\$9,978	\$4,881	\$7,938	\$9,935	\$1,541
Pilot Training and Priority Engineering (F4)	\$12,208	\$4,881	\$9,276	\$11,719	\$1,541
Foreign-going Nautical and Specialist Agriculture (F5)	\$16,723	\$4,881	\$11,986	\$15,330	N/A
Te Reo and Tikanga Māori (F6)	\$6,770	\$6,770	\$6,770	\$6,770	\$1,541

MPTT Fees Top-Up

Purpose of the fund

The purpose of the Māori and Pasifika Trades Training (MPTT) Fund is to support Māori and Pacific learners aged 16 to 40 years of age (inclusive) to enter and achieve in pre-trades training, and progress to sustainable trades or trades-related employment, including New Zealand Apprenticeships and other successful industry training programmes at Level 3 and above on the New Zealand Qualifications and Credentials Framework (NZQCF). Progression to further provider-based vocational training at Level 4 or above on the NZQCF that has strong employment outcomes is also a positive outcome.

How we calculate your wash-up

We will recover funding if you deliver less than 100% of your allocated MPTT fees top up funding. We will recover the difference between the total delivery (dollars) less conditional offsets and 100% of allocated MPTT fees top up funding at a provider-consortium level.

Recoveries are based on:

Data: Your most recent actual delivery volume data (measured in EFTS at provider-consortium level), as submitted through the **December 2023 Single Data Return (SDR)**.

Unit of Delivery:	Equivalent Full-Time Student (EFTS) (at provider-consortium level)
Rates:	We use the 2023 MPTT Fees Top-Up funding rates to calculate your actual delivery at a rate of \$5,266.00 per EFTS .

Delivery thresholds for recovery:

Over:	N/A – No payments made for over-delivery.
Under:	100% – All under-delivery is recovered.

Funding determinations and conditions:

Delegations and mechanisms	2023 Funding Mechanism for MPTT (TEC Website) – Paragraphs 49–50
Funding Conditions Catalogue	<p>Repayment of funding – Sections 11–12, pp. 126–127</p> <p>Early withdrawal (DQ3-7) – Section 7, p. 155</p> <p>Early withdrawal (DQ1-2) – Section 6, p. 44</p> <p>Related DQ funding requirements – Section 6, including compliance with conditions relating to DQ-funded programmes or micro-credentials.</p>

Repayment of MPTT Fees Top-Up Funding

- a. If you receive MPTT Fees Top-ups Fund Funding and/or MPTT Brokerage Services Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that:
 - i. is repayable on demand; and
 - ii. may be set-off against all or any funding, or any sum of money payable by us to you.
- b. If you receive MPTT Fees Top-ups Fund Funding or MPTT Brokerage Services Fund Funding that is less than it should have been, or than you were entitled to receive, we will treat the amount of the under-funding as a credit and pay the amount as soon as is reasonably practicable.
- c. For the purposes of this Condition, any MPTT Fees Top-ups Fund Funding or MPTT Brokerage Services Fund Funding that remains unspent at 31 December 2023 will be counted as an amount of Funding that is greater than it should have been.
- d. We will recover up to 100% of MPTT Fees Top-ups Fund Funding for any under-delivery by your Organisation. The course level delivery volume data submitted through the December Single Data Return (SDR) will be used to assess any under-delivery.
- e. We will recover up to 100% of MPTT Brokerage Services Fund Funding for any under-delivery by your Organisation. The data submitted through the December SDR will be used to determine the amount of under-delivery.

We will recover funding at the provider-consortia level, based on individual contracts.

Early withdrawal of enrolments: We will reduce the dollar value of actual delivery by subtracting enrolments for which students have not completed 10% or one month of the course, whichever is the earlier (From Related DQ funding requirements – **Sect. 6** - Including compliance with conditions relating to DQ-funded programmes or micro-credentials).

Note: NSNs are matched to consortia.

MPTT Brokerage Monthly

Purpose of the fund

The purpose of the Māori and Pasifika Trades Training (MPTT) Fund is to support Māori and Pacific learners aged 16 to 40 years of age (inclusive) to enter and achieve in pre-trades training, and progress to sustainable trades or trades-related employment, including New Zealand Apprenticeships and other successful industry training programmes at Level 3 and above on the New Zealand Qualifications and Credentials Framework (NZQCF). Progression to further provider-based vocational training at Level 4 or above on the NZQCF that has strong employment outcomes is also a positive outcome.

This methodology only applies to the first 50% of the brokerage funding (\$607 per learner), which is paid up front. It does not include the incentive portion (second 50%) of brokerage funding (\$607 per learner) as this is paid on actual delivery.

How we calculate your wash-up

We will recover funding if you deliver less than 100% of your allocated MPTT Brokerage funding. We will recover the difference between the actual number of eligible learners and 100% of the allocated MPTT Brokerage funding. We will only pay MPTT Brokerage in relation to a learner once.

Recoveries are based on:

Data:	Your most recent actual delivery volume data (measured in EFTS at provider-consortium level), as submitted through the December 2023 Single Data Return (SDR) When determining the actual number of eligible learners we will make adjustments to the number of learners reported by you in your most recent actual delivery data submitted through the 2023 December SDR (as reported in the Single Data Return (SDR) source of funding code 28 and 29) .
Unit of Delivery:	Your eligible learners .
Rates:	This methodology only applies to the first 50% of the brokerage funding (\$607 per learner), which is paid up front. It does not include the incentive portion (second 50%) of brokerage funding (\$607 per learner).

Delivery thresholds for recovery:

Over:	N/A – No payments made for over-delivery.
Under:	100% – All under-delivery is recovered.

Funding determinations and conditions:

Delegations and mechanisms	2023 Funding Mechanism for MPTT (TEC Website) – Paragraphs 49–50
Funding Conditions Catalogue or other ref.	Repayment of funding – Sections 11–12, pp. 126–127 Early withdrawal (DQ3-7) – Section 7, p. 155 Early withdrawal (DQ1-2) – Section 6, p. 44 Related DQ funding requirements – Section 6, including compliance with conditions relating to DQ-funded programmes or micro-credentials.

Repayment of MPTT Fees Top-Up Funding

- a. If you receive MPTT Fees Top-ups Fund Funding and/or MPTT Brokerage Services Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that:
 - i. is repayable on demand; and
 - ii. may be set-off against all or any funding, or any sum of money payable by us to you.
- b. If you receive MPTT Fees Top-ups Fund Funding or MPTT Brokerage Services Fund Funding that is less than it should have been, or than you were entitled to receive, we will treat the amount of the under-funding as a credit and pay the amount as soon as is reasonably practicable.
- c. For the purposes of this Condition, any MPTT Fees Top-ups Fund Funding or MPTT Brokerage Services Fund Funding that remains unspent at 31 December 2023 will be counted as an amount of Funding that is greater than it should have been.
- d. We will recover up to 100% of MPTT Fees Top-ups Fund Funding for any under-delivery by your Organisation. The course level delivery volume data submitted through the December Single Data Return (SDR) will be used to assess any under-delivery.
- e. We will recover up to 100% of MPTT Brokerage Services Fund Funding for any under-delivery by your Organisation. The data submitted through the December SDR will be used to determine the amount of under-delivery.

We will recover funding at the provider-consortia level, based on individual contracts.

- › Brokerage monthly (code 10100) is a separate initiative to brokerage success (code 10101).
- › Success is non-recoverable as is paid on actuals.

Early withdrawal of enrolments: We will reduce the dollar value of actual delivery by subtracting enrolments for which students have not completed 10% or one month of the

course, whichever is the earlier (From Related DQ funding requirements – **Sect. 6** - Including compliance with conditions relating to DQ-funded programmes or micro-credentials).

Prior year enrolments (MPTT Brokerage Monthly only): We will exclude learners who have been enrolled in MPTT in a prior year, whether or not they have received MPTT Brokerage funding.

Multiple TEO enrolments: We will only pay MPTT Brokerage once per learner. Where we identify that a learner is enrolled with more than one TEO, we will only pay once to the TEO for the learner with the earliest start date. Therefore, an adjustment will be made to the TEO that has not reported the earliest course start date for the learner.

If there is an NSN with the same course start date but reported in multiple providers, we verify the learner’s first provider enrolment based on the actual reporting in the first instance. If this does not resolve the issue, we hold payment from both providers, and contact the consortium to confirm which provider the NSN is enrolled with. The providers will resubmit the report and we will pay the correct provider.

Note: NSNs are matched to consortia.

MPTT Consortium Activities

Purpose of the fund

The purpose of the Māori and Pasifika Trades Training (MPTT) Fund is to support Māori and Pacific learners aged 16 to 40 years of age (inclusive) to enter and achieve in pre-trades training, and progress to sustainable trades or trades-related employment, including New Zealand Apprenticeships and other successful industry training programmes¹ at Level 3 and above on the New Zealand Qualifications and Credentials Framework (NZQCF). Progression to further provider-based vocational training at Level 4 or above on the NZQCF that has strong employment outcomes is also a positive outcome.

The funded activities must support learner pathways into trades training and employment.

How we calculate your wash-up

We will recover funding if you deliver less than 100% of your allocated MPTT Consortium Activities funding. We will recover the difference between the actual amount spent on Consortia Activities and 100% of the allocated MPTT Consortium Activities funding.

Recoveries are based on:

Data:	Your most recent actual delivery data (actual year-end spend) as submitted in your year-end Progress Report through Workspace 2 . We will recover funding at the provider-consortia level, based on individual contracts.
Unit of Delivery:	Your expenditure (dollars) .
Rates:	We will recover funding at the provider-consortia level, based on individual contracts.

Delivery thresholds for recovery:

Over:	N/A – No payments made for over-delivery.
Under:	100% – All under-delivery is recovered.

Funding determinations and conditions:

Delegations and mechanisms	2023 Funding Mechanism for MPTT (TEC Website) – Paragraphs 49–50
Funding Conditions Catalogue	Repayment of funding – Section 11, p. 133

Repayment of MPTT Fees Top-Up Funding

- a. If you receive MPTT Consortium Activities Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that:
 - i. is repayable on demand; and
 - ii. may be set-off against all or any funding, or any sum of money payable by us to you.
- b. For the purposes of this Condition, any MPTT Consortium Activities Fund Funding that remains unspent at 31 December 2023 will be counted as an amount of Funding that is greater than it should have been.

Note: Recovery of MPTT Consortium Activities is independent of recovery from MPTT Consortium Learner Support.

MPTT Consortium Learner Support

Purpose of the fund

The purpose of the Māori and Pasifika Trades Training (MPTT) Fund is to support Māori and Pacific learners aged 16 to 40 years of age (inclusive) to enter and achieve in pre-trades training, and progress to sustainable trades or trades-related employment, including New Zealand Apprenticeships and other successful industry training programmes at Level 3 and above on the New Zealand Qualifications and Credentials Framework (NZQCF). Progression to further provider-based vocational training at Level 4 or above on the NZQCF that has strong employment outcomes is also a positive outcome.

Learner Support funding will allow learners to have access to the support funding when they need it, as assessed by the consortium.

Learner Support funding goes directly (by way of products and services) to the learner for specific items to support their success. An audit trail for each learner must be recorded, identifying what each learner has received, and the associated cost. How we calculate your wash-up

We will recover funding if you spend less than 100% of your allocated MPTT Consortium Learner Support funding. We will recover the difference between the actual spend and 100% of the allocated MPTT Consortium Learner Support funding.

Recoveries are based on:

Data:	Your most recent actual delivery data (actual year-end spend) as submitted in your year-end Progress Report through Workspace 2 . We will recover funding at the provider-consortia level, based on individual contracts.
Unit of Delivery:	Your expenditure (dollars) .
Rates:	We will recover funding at the provider-consortia level, based on individual contracts.

Delivery thresholds for recovery:

Over:	N/A – No payments made for over-delivery.
Under:	100% - All under-delivery is recovered.

Funding determinations and conditions:

Delegations and mechanisms	2023 Funding Mechanism for MPTT (TEC Website) – Paragraphs 49–50
Funding Conditions Catalogue	Repayment of funding – Section 11, p. 133 Early withdrawal

Repayment of MPTT Fees Top-Up Funding

- a. If you receive MPTT Consortium Learner Support Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that:
 - i. is repayable on demand; and
 - ii. may be set-off against all or any funding, or any sum of money payable by us to you.
- b. For the purposes of this Condition, any MPTT Consortium Learner Support Funding that remains unspent at 31 December 2023 will be counted as an amount of funding that is greater than it should have been.

Note: Recovery of MPTT Consortium Learner Support is independent of recovery from MPTT Consortium Activities.



Degree and Research Funds

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

Purpose of the fund

Funding from the Delivery of 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 wash up

We will recover funding if you deliver less than 99% of your allocated DQ7+ funding. We will recover the difference between the total delivery (dollars) adjusted for condition offsets as detailed below, and 99% of allocated DQ7+ funding.

Recoveries are based on:

Data:	Your most recent actual delivery volume data (at the course level), submitted through the December Single Data Return .
Unit of Delivery:	Equivalent Full-Time Student (EFTS) .
Rates:	We use the 2023 DQ7+ funding rates to calculate your actual delivery at a rate based on table per EFTS .

Delivery thresholds for recovery:

Over:	102% or 100% + 10 EFTS, whichever is greater.
Under:	99% (100% for TEOs with zero delivery).

Funding determinations and conditions:

Delegations and mechanisms	2023 Funding Mechanism for DQ7+ (TEC Website) - Para. 69 - 72
Funding Conditions Catalogue	Flexible Funding – ‘Flexible Funding’, p. 177 Repayment of funding – Section 7, p. 201 Early withdrawal – Section 7, p. 192

Repayment of DQ7+ Funding

- a. If you receive DQ7+ Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that:
 - i. is repayable on demand; and
 - ii. may be set-off against all or any Funding, or any sum of money payable by us to you.

- b. For the purposes of this Condition, you will have received DQ7+ Fund Funding that was “greater than it should have been” if the total dollar value of the provision that was delivered by you within the Funding Period is less than 99% of the total dollar value for provision paid to you from DQ7+ Fund Funding. In that situation, the percentage of Funding that is repayable is equal to the difference between the bottom of the tolerance band (99%) and the percentage value of the provision that was delivered.

Early withdrawal of enrolments: We will reduce the dollar value of actual delivery by subtracting enrolments for which students have not completed 10% or one month of the course, whichever is the earlier.

Flexible Funding

- a. We will allocate you additional DQ7+ Fund Funding to that specified in your Funding Confirmation Letter if:
 - i. you are a “qualifying TEO”, which means you:
 - › have a New Zealand Qualifications Authority (NZQA) External Evaluation and Review (EER) status of Category 1 or 2 (except for Universities and Te Pūkenga); and
 - › are approved by us to deliver a minimum of 20 EFTS in 2023; and
 - › have an average 2022 course completion rate of 70% or higher for DQ7+; and
 - ii. one of the following applies:
 - iii. you are a tertiary education institution (TEI) or Private Training Establishment (PTE) and the value of provision you actually deliver (as determined by us), as measured in dollars, is greater than the value of your approved Funding allocation.
- b. The additional Funding available to be allocated is up to the following limits, either (whichever is greater):
 - i. 2% of your approved Funding allocation; or
 - ii. 10 EFTS (we will calculate 10 EFTS of delivery using the average EFTS rate of your total actual delivery as determined by us).
- c. Any flexible Funding will be calculated using information provided in the December Single Data Return (SDR), with payments made in April of the following year.
- d. We may establish criteria to allocate Funding above the flexible Funding limits described in (b), if we have assessed that we have sufficient Funding available to provide Funding above those limits.

Capped provision and impact on Flexible Funding: Provision delivered on a capped provision delivery: TEOs that deliver on capped provision may meet the eligibility criteria for Flexible Funding but the provision delivered itself on a capped provision delivery is not eligible for Flexible Funding (eg, aviation provision – qualifications that include an in-flight training component).

Exclusions from flexible funding: Secondary Initial Teacher Education (Secondary ITE): This is considered separately, as the wash-up methodology is different from the rest of DQ7+.

Other exceptions and caps on provision

Massey University – aviation provision (126 EFTS)

Massey University – veterinary science (125 EFTS for Year 1 intake)

The University of Auckland – medical undergraduate (257 EFTS for Year 1 intake)

Lincoln University – specialist large animal science (70 EFTS)

The University of Otago – medical undergraduate (282 EFTS for Year 1 intake)

The University of Otago – dentistry (60 EFTS for Year 1 (intermediate) intake)

In all cases, if DQ7+ Funding is used to deliver more than the approved amount of EFTS specified above, we will treat the amount of over-funding as a debt due to the Crown in accordance with the Conditions described in the Fund-specific Conditions 2023 – DQ7+ Fund. The amount of the debt due will be calculated at the funding rate for the relevant qualifications.

In some instances, implementing this relies on compliance by the institutions as it may not be possible to identify and calculate the relevant enrolments in the SDR.

DQ7+ Secondary Initial Teacher Education

Purpose of the fund

Funding from the Delivery of 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).

Secondary Initial Teacher Education (ITE) 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 to achieve positive career outcomes for graduates.

Definition of Secondary Initial Teacher Education (ITE): "Initial teacher education" means:

- i. if you are a tertiary education institution (TEI), provision that has a course classification of #20, and a funding category of I (as set out in Appendix 1 of the DQ7+ funding mechanism); or
- ii. if you are a private training establishment (PTE), an agreed list of qualifications leading to registration as a secondary teacher.

How we calculate your wash-up

We will recover funding if you deliver less than 99% of your allocated DQ7+ Secondary ITE funding. We will recover the difference between the total delivery (dollars) adjusted for condition offsets as detailed below, and 99% of allocated DQ7+ Secondary ITE funding.

Recoveries are based on:

Data:	Your most recent actual delivery volume data (at the course level), submitted through the December Single Data Return .
Unit of Delivery:	Equivalent Full-Time Student (EFTS)
Rates:	We use the 2023 DQ7+ funding rates to calculate your actual delivery at a rate based on table per EFTS .

Delivery thresholds for recovery:

Over:	No limit – All over-delivery is funded.
Under:	99% (100% for TEOs with zero delivery).

Funding determinations and conditions:

Delegations and mechanisms	2023 Funding Mechanism for DQ7+ (TEC Website) – Paragraphs 69–72
Funding Conditions Catalogue	Repayment of funding – Section 17, p. 201 Early withdrawal – Section 7, p. 192

Repayment of DQ7+ Secondary ITE Funding

- a. If you receive DQ7+ Fund Funding that is greater than it should have been, or that you were not entitled to receive, you must treat the amount of the over-funding as a debt due to the Crown that:
 - i. is repayable on demand; and
 - ii. may be set-off against all or any Funding, or any sum of money payable by us to you.
- b. For the purposes of this Condition, you will have received DQ7+ Fund Funding that was “greater than it should have been” if the total dollar value of the provision that was delivered by you within the Funding Period is less than 99% of the total dollar value for provision paid to you from DQ7+ Fund Funding. In that situation, the percentage of Funding that is repayable is equal to the difference between the bottom of the tolerance band (99%) and the percentage value of the provision that was delivered.

Early withdrawal of enrolments: We will reduce the dollar value of actual delivery by subtracting enrolments for which students have not completed 10% or one month of the course, whichever is the earlier.

Flexible Funding

Exclusions from flexible funding: Secondary Initial Teacher Education (Secondary ITE): This is considered separately as the wash-up methodology is different from the rest of DQ7+.

The Secondary ITE providers are based on those listed on the Teaching Council NZ website: <https://teachingcouncil.nz/professional-practice/ite-providers/current-ite-programmes/>

EDUMIS	TEI
6683	Open Polytechnic of New Zealand / Te Pūkenga
7001	The University of Auckland
7002	University of Waikato
7003	Massey University
7004	Victoria University of Wellington
7005	University of Canterbury
7007	University of Otago
7008	Auckland University of Technology

EDUMIS	TEO	Qualification
6668	Teach First New Zealand Trust	125988: Postgraduate Diploma in Secondary Teaching
8327	NZ Graduate School of Education Limited	PCCC01: Graduate Diploma in Teaching (Secondary)
8563	Laidlaw College	4122: Graduate Diploma of Education (Secondary)
8694	Bethlehem Institute Limited	PC1796: Graduate Diploma of Teaching (Secondary)

Approval of Qualifications for Initial Teacher Education is carried out by the [Teaching Council of Aotearoa New Zealand](#) and [TeachNZ](#).

2023 rates for the DQ7+ fund:

Category (alphabetic)	Level 1 (excl GST)	Level 2 (excl GST)	Level 3 (excl GST)	Level 4 (excl GST)
A	\$6,770	\$6,770	\$8,545	\$9,037
B	\$10,357	\$10,357	\$13,166	\$14,155
C	\$12,451	\$12,451	\$15,826	\$17,031
G			\$28,865	\$28,865
H		\$22,452	\$28,316	\$29,709
I	\$10,763	\$10,763	\$13,497	\$13,989
J	\$6,770	\$6,770	\$8,545	\$9,037
L	\$11,636	\$11,636	\$14,672	\$15,659
M	\$14,820	\$16,887	\$21,203	\$22,580
N	\$13,814	\$13,814	\$17,378	\$18,704
O		\$20,041		
P	\$11,186			
Q		\$33,410	\$33,410	\$33,410
R		\$57,046		
S	\$20,602			
T		\$47,038		
U		\$47,038		
V	\$12,108	\$14,798	\$18,654	\$19,910



Other Funds

Fees Free

Purpose of the fund

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

- › funding the equivalent of one year's full-time of Fees Free provider-based education, and
- › 24 months of industry training, for eligible learners.

How we calculate your wash up

If you deliver less than 100% of your allocated Fees Free funding, we will recover the difference between the allocation and the total delivery (dollars), after TEC validation and allocation rules have been applied.

If you deliver more than 100% of your allocated Fees Free funding, we will pay the difference between the allocation and the total delivery (dollars), after TEC validation and allocation rules have been applied.

Recoveries are based on:

Data:	Your most recent actual delivery volume data measured by your Fees Free Multiple Providers and Cap Limit Report and/or your Fees Free Remittance .
Unit of Delivery:	Learner .
Rates:	As specified by the TEO in their Fees Free All Enrolments Cost Report and validated against STEO.

Delivery thresholds for recovery:

Over:	No limit – All over-delivery is funded.
Under:	100% – All under-delivery is recovered.

Funding determinations and conditions:

Delegations and mechanisms	2023 Funding Delegation for Fees Free (TEC Website)
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Repayment of Fees Free Funding

Recovery of funding: For Fees Free, validation and allocation rules are applied to the funding conditions. If you deliver less than 100% of your allocated Fees Free Payments funding, we will recover the difference between the allocation and the total delivery (dollars), after TEC validation and allocation rules have been applied.

If the “Fees Free All Enrolments and Costs” report (FF06) and/or the “Fees Free Programmes and Fees” report is not submitted, then this will be deemed to be zero delivery, and TEC will recover the full funding for the year.

Full payment for over-delivery: If a TEO’s Fees Free delivery reported to the TEC is more than 100% of the TEO’s allocation after TEC validation and allocation rules have been applied, we will pay the difference.

Data and payment timing: All Fees Free delivery is reported through Workspace2, and the wash-ups will be calculated in March 2024, with recovery or payments occurring 1 April 2024. For industry training, Fees Free delivery is reported monthly through Workspace2, and is paid retrospectively on actual delivery, so the wash-ups are unlikely to lead to any recoveries.

Funding Cut off: Further information on the TTAF cut-off and funding can be found [here](#) on the TEC website.

Validation and allocation: The validation and allocation rules are calculated by the Fees Free team prior to delivery data being provided to Fund Management). Validations and allocation rules for SAC-funded TEOs are processed as follows:

1. TEOs submit “Fees Free All Enrolments and Costs” report (FF06).
2. Validation of the FF06 report against validation checks occurs.
3. Reconciliation occurs against the December 2023 SDR for valid enrolments.
4. Validation report (FF42) submitted to TEOs detailing the validation details against the FF06.
5. Allocation report submitted to TEOs, “Fees Free Multiple Providers and Cap Limit Report” (FF07), detailing by NSN the reported Fees, allocated fees and messaging occurs for any variance.

The validation is applied against the learner and course information submitted with further details outlined in the [Fees Free All Enrolment and Costs Return Guide 2023](#).

Validations and allocation rules for work-based funded TEOs are processed as follows:

1. TEOs submit “Fees Free Programmes and Fees” report.
2. Validation of the report against validation checks occurs.
3. Reconciliation occurs against the 2023 ITR for valid enrolments.
4. Remittance report submitted to TEOs detailing by NSN the reported Fees, allocated fees and messaging for any variance and validation errors.

The validation is applied against the learner and course information submitted with further details outlined in the [Fees Free Industry Training Monthly Reporting Guide](#).

Note: Massey University has a subset of learners who are exempt from GST. Massey University will report a subset of learners who are GST exempt under a separate fund initiative (10189). For which the same validation and allocation rules above will be applied, however no GST will be applied when paying Massey University for delivery associated to these learners.

Secondary Tertiary Interface – Trades Academy

Purpose of the fund

Trades Academies funding supports trades and technology programmes for senior secondary school students to provide a transition between school and tertiary education.

Trades Academies are partnerships between schools, tertiary education organisations (TEOs) and employers. They aim to keep young New Zealanders engaged in education and training by creating a clear path between school and further education, training or employment. Closer alignment of schools, the tertiary education sector and industry helps to make the future workforce more responsive to local and national business and economic needs.

There are 10 Trades Academies within Te Pūkenga. The Primary ITO and National Trade Academy Limited also receive Trades Academies funding.

How we calculate your wash up

We will recover Secondary Tertiary Interface (STI) funding separately for each of the components. If you deliver less than 100% of your allocated STI funding against each STI component, we will recover the difference between the dollar value of actual delivery for each component and 100% of allocated funding for each component for that Trades Academy.

Recoveries are based on:

Data:	Manual data reported by TEOs collected by the Ministry of Education (MoE). We use the Secondary-Tertiary Programme (STP) name in MoE's data as the identity code to separate recoveries for providers who are lead providers for more than one Trades Academy.
Unit of Delivery:	Learners (Pastoral Care & Coordination); Learners pro rata (General Teaching & Learning); Learners pro rata (Trades Top-Up)
Rates:	We use the 2023 Secondary-Tertiary Interface Trades Academy funding rates to calculate your actual delivery at a rate of Pastoral Care & Coordination at \$1,305.00 per learner , General Teaching & Learning at \$10,070.00 per learner (pro-rata) and Trades Top-Up at \$3,709.00 per learner (Trades pro-rata) .

Delivery thresholds for recovery:

Over:	N/A – No payments made for over-delivery.
Under:	100% – All under-delivery is recovered.

Funding determinations and conditions:

Delegations and mechanisms	Final Cabinet Paper on Trades Academy Funding, Service Academies and ERO reviews for National Standards
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STI Trades Academy
specific conditions

- › Repayment of funding
- › Recovery for TEO-led Trades Academies only
- › Separation of components for recovery
- › No payment for over-delivery
- › Pastoral care and coordination
- › Multi-academy lead providers

Repayment of STI Trades Academy Funding

Repayment of Funding: If the Institute fails to deliver to the specified volume of students set out in Schedule D [of the individual contract], the Commission has the right to recover funding. Recovery of 2023 funding will be based on the difference between the maximum number of students approved to be on the programme in Schedule D and the maximum number of students on the programme reported through the MoE data.

Separation of components for recovery: All three components (“pastoral care and coordination”, “general teaching and learning”, and “trades top-up”) will be treated **separately**, and over-delivery in one component will not compensate for under-delivery elsewhere.

Recovery for TEO-led Trades Academies only: A Trades Academy can be led by a school or by a TEO. For a TEO-led Trades Academy, if you deliver less than 100% of your allocated Secondary Tertiary Interface (STI) funding against any STI component, we will recover the difference between 100% of allocated funding for the component and the dollar value of actual delivery for that component.

Multi-academy lead providers: We will recover STI funding separately for each TEO-led Trades Academy. We use the Secondary-Tertiary Programme (STP) name in the Ministry of Education’s data as the identity code to separate recoveries for providers who are lead providers for more than one Trades Academy.

Te Pūkenga: For Te Pūkenga, all wash-ups where the Trades Academy is run by a subsidiary within Te Pūkenga, will be aggregated up (with components remaining separate) to the Te Pūkenga level.

No payment for over-delivery: There will be no payment for over-delivery.

Note: Secondary component controlled by MoE.

Secondary Tertiary Interface – Trades Academy Components

Pastoral care and coordination: Pastoral care and coordination funding are paid to the TEO lead Trades Academy once per learner and where delivery has occurred to that learner at the 2023 rate of **\$1,305.00**. We will recover if delivery was less than the allocation in this component.

General teaching and learning actual delivery: To calculate the actual delivery for General Teaching and Learning, we use the specified 2023 rate of **\$10,070.00**, multiplied by the Tertiary Component Full Time Equivalent (FTE) for each NSN, from the manual data collated by MoE.

If the delivery exceeds what is allocated, no additional funding will be provided. We will recover if delivery was less than the allocation in this component.

Trades Top-Up actual delivery: To calculate the actual delivery for Trades Top-Up, we use the specified 2023 rate of **\$3,709.00**, multiplied by the Tertiary FTE for each NSN who has been marked as “Trades” delivery from the manual data collated by MoE. If the delivery exceeds what is allocated, no additional funding will be provided. We will recover if delivery was less than the allocation in this component.

Medical Trainee Intern Grant

Purpose of the fund

Medical Trainee Intern Grants are paid to the University of Otago and the University of Auckland to provide a stipend for domestic medical students working as interns as part of their sixth year of study.

How we calculate your wash up

We will recover funding if you deliver less than 100% of your allocated Medical Trainee Intern funding. We will recover the difference between the total delivery (dollars) and 100% of allocated Medical Trainee Intern funding.

If you deliver more than 100% of your estimated Medical Trainee Intern allocated funding we will pay the difference between 100% of the allocated Medical Trainee Intern funding and the amount actually delivered.

Recoveries are based on:

Data:	Your submitted Medical Trainee Intern Statement of Service Performance report which must include the: number of students funded, and amount of funding consumed for the reporting year/s on Workspace 2 .
Unit of Delivery:	Equivalent Full-Time Student (EFTS).
Rates:	Each grant is \$26,756 (GST exempt) per student per 12 months internship.

Delivery thresholds for recovery:

Over:	No limit – All over-delivery is funded.
Under:	100% – All under-delivery is recovered.

Funding determinations and conditions:

Delegations and mechanisms	2015 Funding Mechanism for MTIG (TEC Website) – Paragraphs 17–18
Medical Trainee Intern Grant specific conditions	<ul style="list-style-type: none"> › Repayment of funding › Full payment for over-delivery › Conditions based on previously published 2022 recovery methodology

Repayment of MTIG Trades Academy Funding

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

Full payment for over-delivery: We will pay for all over-delivery, without limit.