



ITO sector update

Issue 2016-1

29 January 2016



2015 interim funding recoveries

As you are aware we will be calculating interim funding recoveries for ITOs based on 2015 data as at 31 January 2016. We expect to formally advise you of the interim recovery by mid-February. Finalised recoveries will be calculated after 31 March.

2016 data snapshots

As signalled in the Industry Training Plan Guidance last year, and in line with previous processes, data snapshots for the current year will be taken as at 31 March and 31 August. These points enable us to look across industry training and provider-based delivery as a whole. The March data snapshot will also help inform our view on where funding pressures are building in ITOs for 2016. Due to limited residual funding available in 2016, we need to make sure the Plan amendment process is managed fairly.

Number of limited credit programmes per qualification

We have removed the restriction that only one limited credit programme (LCP) per qualification can be offered. As New Zealand qualifications are rolled out, this restriction was limiting ITOs' ability to respond to industry needs. However we do not want the overall percentage of LCPs funded to increase so we will monitor this at an individual ITO level.

Recognition of prior learning or recognitions of current competency

ITOs are prohibited from claiming funding for recognition of prior learning. In industry training, this is often referred to as recognition of current competency but the two terms mean the same thing. Refer to NZQA's website <http://www.nzqa.govt.nz/studying-in-new-zealand/tertiary-education/prior-learning-and-credit-transfer/> for further information. We expect trainees who already have some of the required knowledge or competency to complete in shorter periods of time, and therefore ensuring no funding is received for that previous knowledge.

Funding for Joint Ventures and Amalgamations Projects

It has been pleasing to see applications coming through for the JVAP fund. This fund has been undersubscribed recently. Given this increased interest, we think applications will be better managed through funding rounds. The deadline for applications will be 31 March, 30 June and 30 September. Applications that are already in the pipeline will be assessed now but any new applications will be held till 31 March.



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The Skills Highway has the contact details of the providers. Further information about Intensive Literacy and Numeracy support can be found on our website: <http://www.tec.govt.nz/funding/funding-and-performance/funding/fund-finder/intensive-literacy-and-numeracy/>

Recording visits to New Zealand Apprentices

The Minister has removed the requirement for four visits to New Zealand Apprentices per year. This change is intended to support a more tailored response to apprentice and employer needs in line with the Code of Good Practice for New Zealand Apprenticeships. We would like to remind you that all visits should still be recorded in your trainee management systems for monitoring and audit purposes.

Financial monitoring framework

We will be publishing a financial monitoring framework for ITOs shortly. The framework calculates a financial risk assessment based on information submitted to us. It has been developed with sector input and will provide a consistent and transparent approach that should be of value to ITOs as well.

New EPIs – cohort completion and retention rates

As part of the Investment Approach, there is a focus on developing appropriate performance measures, particularly around qualification completions. There has been concern across all sectors about the existing qualification and programme completion EPIs. Last year, TEC began working with representatives from different sectors to identify how we could best measure completions. We have met separately with different sectors, based on fund. This work is being led by David Eng, Principal Advisor here at TEC.

For ITOs, we invited five representatives from ServiceIQ, Skills Active, The Skills Organisation, Careerforce, and MITO to discuss how we could best measure completions. We also raised the likelihood of a retention measure. We met in early December and we developed some broad methodology for modelling purposes. Once we have completed the modelling, we will reconvene the working group to review and refine the information, before releasing the methodology and the output to all ITOs and the ITF for consultation.

Consultation on simplifying investment plans

As part of TEC's commitment to work with the sector to co-create on the Investment Approach, we are seeking TEOs' feedback and input in a range of areas. TEC is currently [seeking feedback on how we can simplify the operation of the plan system](#) to focus resources (yours and ours) away from unnecessary administration and towards activities that improve outcomes. If you wish to provide feedback, you have until **5pm on Friday 5 February 2016** (the deadline has been extended). We intend to hold a workshop with ITOs to discuss this in more detail in the future. As ITOs are on a different investment plan cycle we have more time to consider what changes would be desirable.