

SUPPLEMENTARY DETERMINATION OF DESIGN OF FUNDING MECHANISM FOR: INDUSTRY TRAINING FUND

Background

1. The Determination of Design of Funding Mechanism: "Industry Training Fund" (the principal determination) was issued in September 2017.

Effective date

2. This Supplementary Determination of the Design of Funding Mechanism: Industry Training Fund (the supplementary funding determination) amends the principal determination with effect from 1 January 2018.
3. Insert new paragraphs after paragraph 47 of the principal funding determination as follows:

"Fees-free tertiary education

- 47A. *Industry trainees that meet eligibility requirements for the fees-free tertiary education (as set out in paragraphs 47C and 47D), and their employers, are not required to pay fees (as defined in paragraph 47G), and instead fees are charged by TEOs to the TEC for payment on the trainee's behalf, relating to the training time period set out in paragraph 47F.*
- 47B. *The eligibility, fees, time periods, and payment arrangements set out in paragraphs 47C-47G will apply to the Industry Training Fund in 2018.*

Eligibility

- 47C. *The TEC must determine which trainees are eligible for the TEC to make fee payments to the TEO on behalf of the trainee, and advise each relevant TEO. An industry trainee is eligible for fees-free tertiary education if the trainee:*
- a) *is enrolling in a programme that commences from 1 January 2018 that:*
 - i. *is at NZQF Level 3 or above; and*
 - ii. *is approved by NZQA; and*
 - iii. *comprises at least 120 credits (which includes all New Zealand Apprenticeships); and*
 - b) *is not concurrently enrolled in a school at the start date of the programme; and*
 - c) *has either:*
 - i. *been enrolled in a school at any time during 2017 or 2018 (all 2017 or 2018 school leavers who meet criteria a and b above will be eligible for fees-free tertiary education regardless of any prior tertiary study undertaken); or*

- ii. *prior to 1 January 2018, not undertaken more than half a year of equivalent full-time tertiary education (0.5 EFTS or 60 credits¹) at Level 3 or above on the NZQF, including tertiary education at an equivalent level undertaken in any other country, but excluding any tertiary education undertaken while enrolled in a school.*

47D. *The TEC may use discretion to determine that a trainee who does not meet all of the criteria in paragraph 47C is eligible for fees-free tertiary education after considering the trainee's exceptional personal circumstances.*

47E. *The TEC must establish requirements that TEOs must comply with so that the TEC can verify each industry trainee's eligibility for fees-free tertiary education.*

Time period to receive fees-free tertiary education payments

47F. *Eligible trainees that commence their industry training programme in the 2018 calendar year will be eligible for their fees to be paid by the TEC on their behalf for the first 24 months of the training programme.*

Fees

47G. *For the purposes of paragraphs 47A-47F, "fees" are defined as: fees for training and assessment, including fees paid to ITOs, paid directly to training and assessment providers, or paid as part of fees-charged by group training schemes."*

Part Two: Funding Conditions

Financial contribution

4. Replace paragraph 53 of the principal funding determination as follows:

53. *"The TEC must attach to funding a condition that a TEO that receives funding from the Industry Training Fund must ensure that all employers of industry trainees or apprentices who are enrolled with the TEO make a financial contribution towards the cost of each trainee's or apprentice's training and assessment, noting that there may be some specific circumstances where the full financial costs of training and assessment for a trainee could be met by the financial contribution from the Industry Training Fund and the fees-free tertiary education initiative."*

¹ This includes tertiary education undertaken through the industry Training Fund in terms of credits achieved at Level 3 or above on the NZQF.

5. Insert new paragraph after paragraph 58 of the principal funding determination as follows:

Fees-free tertiary education

58A. *“The TEC must attach to funding a condition that in 2018 TEOs must work collaboratively with the TEC to give effect to the fees-free tertiary education initiative within the Industry Training Fund, and in particular each TEO must:*

- a) advise the TEC, if the TEO offers fees-free tertiary education eligible training programmes (see paragraph 47C), of the total applicable amount charged to eligible trainees and their employers for training and assessment in the eligible training programmes;*
- b) agree to charge the TEC the actual and reasonable training and assessment fees (as determined by the TEC) for trainees eligible for fees-free tertiary education (see paragraphs 47A-47G), and must not charge trainees or their employers for these fees;*
- c) provide information as required by the TEC, to enable the TEC to determine the eligibility of trainees, and must provide information, as required by the TEC, in relation to fees; and*
- d) comply with any requirements established by the TEC to enable the TEC to understand the consumption of industry training by eligible trainees.”*