



## MP for Remutaka

Minister of Education

Minister of Health

Minister of State Services

Leader of the House

Minister Responsible for Ministerial Services

30 September 2020

Jenn Bestwick  
Chair  
Tertiary Education Commission  
PO Box 27-048  
Wellington 6141

Dear Jenn,

### **Determination of Design of Funding Mechanism: Specialised English for Speakers of Other Languages**

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

The new determination is set out in the appendix to this letter. The determination covers the funding of Specialised English for Speakers of Other Languages provision delivered from 1 January 2021. The new determination includes a 1.6 percent increase to all funding rates specified in the determination.

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

I expect that the TEC will set appropriate measures as part of its Statement of Service Performance in order to report to me on its performance in giving effect to this determination.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'CHIPKINS'.

**Chris Hipkins**  
Minister of Education

# DETERMINATION OF DESIGN OF FUNDING MECHANISM: SPECIALISED ENGLISH FOR SPEAKERS OF OTHER LANGUAGES

## PRELIMINARY PROVISIONS

### *Statutory authority*

1. This funding mechanism for Specialised English for Speakers of Other Languages is made under section 419 of the Education and Training Act 2020 (the Act).

### *Purpose*

2. Specialised English for Speakers of Other Languages (ESOL) comprises two funds:
  - a. the Intensive Literacy and Numeracy Fund, ESOL Fund (ILN ESOL Fund); and
  - b. the Intensive Literacy and Numeracy, Refugee English Fund (ILN Refugee English Fund).
3. The purpose of these specialised ESOL funds is to:
  - a. increase opportunities for adults to engage in literacy and numeracy learning, particularly migrants and refugees; and
  - b. raise adults' literacy and numeracy skills to help learners progress onto further study and employment.
4. For the avoidance of doubt, the general parameters and conditions included in this funding mechanism apply to both funds unless stated otherwise.

### *Definition*

5. For funding purposes, the term "refugee-background" covers refugees, protected persons, their partner and/or children, and other family sponsored for a New Zealand resident class visa by a refugee or protected person.<sup>1</sup>

### *On-Plan funding*

6. The Tertiary Education Commission (TEC) must pay funding for specialised ESOL under section 425 of the Act.

---

<sup>1</sup> For the avoidance of doubt, this includes the thirty Afghan interpreters who worked for the New Zealand-led Provincial Reconstruction team in Afghanistan and their dependants who were granted residency.

## **PART ONE: THE FUNDING MECHANISM**

### **GENERAL PARAMETERS**

#### ***Effective period***

7. This funding mechanism is to fund specialised ESOL provision delivered from 1 January 2021.
8. The TEC may exercise any of its administrative functions as required to give effect to this funding mechanism before this date.

#### ***Available funding***

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

#### ***TEC administrative responsibility in the case of under-funding***

10. If a tertiary education organisation (TEO) receives funding under this funding mechanism that is less than it should have been, or than it was entitled to receive, the TEC must pay the amount of the under-funding as soon as is reasonably practicable.

#### ***Geographical areas of provision***

11. The TEC must prioritise funding allocated under this funding mechanism to TEOs located in common refugee settlement areas.<sup>2</sup>

### **SPECIFIC PARAMETERS**

#### **A. THE ILN ESOL FUND**

##### ***Purpose***

12. The purpose of the ILN ESOL Fund is to fund the intensive provision of ESOL learning opportunities within an appropriately structured environment.

##### ***Funding rate***

13. The TEC must allocate \$19.40 of funding from the ILN ESOL Fund to TEOs per hour of ESOL tuition.
14. The total hours of ESOL tuition delivered per learner by a TEO is expected to be between 20 and 500 hours per year.
15. ESOL tuition must be delivered at the intensity of 5 to 40 hours per week.
16. The TEC must monitor provision funded under the ILN ESOL Fund to ensure that it is delivered in accordance with paragraphs 14 and 15. The TEC must use the

---

<sup>2</sup> Note that West Auckland, South Auckland, Hamilton, Palmerston North, Wellington (City), Lower Hutt, Porirua, Christchurch, Nelson, Dunedin and Invercargill have been the main refugee resettlement areas, but other refugee resettlement areas are being established to support the increase in the number of refugees being resettled in New Zealand. These new areas include: Ashburton, Blenheim, Levin, Masterton, and Timaru.

outcomes of its monitoring of a TEO's performance to inform future allocations through this fund.

### ***TEO eligibility***

17. For the purposes of the ILN ESOL Fund, an organisation is a TEO if it:
  - a. Is one of the following:
    - i. a university;
    - ii. Te Pūkenga – New Zealand Institute of Skills and Technology (Te Pūkenga)<sup>3</sup>;
    - iii. a wānanga;
    - iv. a private training establishment (PTE);
    - v. a State school or State integrated school;
    - vi. a rural education activities programme (REAP) provider;
    - vii. a community organisation; and
  - b. has demonstrated expertise in delivering ESOL to adult refugee-background learners and migrants.
18. The TEC must only fund an organisation from the ILN ESOL Fund if the organisation (other than a community organisation<sup>4</sup>) is quality assured as follows:
  - a. if the funding is for delivery by Te Pūkenga or one or more of the subsidiaries of Te Pūkenga, Te Pūkenga or the relevant subsidiaries of Te Pūkenga are quality assured by the New Zealand Qualifications Authority (NZQA);
  - b. if the TEO is a wānanga, PTE or REAP provider, the TEO is quality assured by NZQA;
  - c. if the TEO is a State or State integrated school, the TEO is quality assured by the Education Review Office; or
  - d. If the TEO is a university, the TEO is quality assured by the New Zealand Vice-Chancellors' Committee

### ***Programme eligibility***

19. The TEC must only fund a programme of study or training from the ILN ESOL Fund that:
  - a. has English language and literacy outcomes; and
  - b. is taught by appropriately qualified and experienced ESOL educators; and

---

<sup>3</sup> Te Pūkenga also refers to any Te Pūkenga subsidiary

<sup>4</sup> Some REAPs are community organisations

- c. is flexible and tailored to respond to the particular needs of adult learners (for example, provision may be delivered at off-peak times for those in employment).

### ***Learner eligibility***

- 20. The TEC must only fund a TEO from the ILN ESOL Fund in respect of a learner who:
  - a. is one of the following:
    - i. refugee-background as defined in paragraph 5 of this funding mechanism; or
    - ii. a migrant; or
    - iii. a person for whom English is their second language;
  - b. is a “domestic tertiary student” as defined under section 10(1) of the Act;
  - c. is 16 years of age or over; and
  - d. has low English language and/or literacy skills

## **B. THE ILN REFUGEE ENGLISH FUND**

### ***Purpose***

- 21. The purpose of the ILN Refugee English Fund is to support those with a refugee-background 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 programmes leading to an ESOL qualification.

### ***Funding rates***

- 22. The TEC must allocate funding to TEOs on the basis of:
  - a. a specified number of fees-free places in programmes leading to ESOL qualifications at Level 3 and above on the New Zealand Qualifications Framework (NZQF); and
  - b. the tuition fees charged for enrolment in programmes leading to ESOL qualifications at Level 3 and above on the NZQF; and
  - c. pastoral care of \$414 per place, to be used for supporting the educational achievement of learners.<sup>5</sup>

### ***TEO eligibility***

- 23. For the purposes of the ILN Refugee ESOL Fund, an organisation is a TEO if it:
  - a. Is one of the following:

---

<sup>5</sup> This pastoral care may also be shared with other refugee-background learners at the TEO.

- i. a university;
    - ii. Te Pūkenga;
    - iii. a wānanga;
    - iv. a PTE; and
  - b. experienced in educating refugee-background learners.
24. The TEC must only fund an organisation from the ILN Refugee English Fund if the organisation is quality assured as follows:
- a. if the funding is for delivery by Te Pūkenga or one or more of the subsidiaries of Te Pūkenga, Te Pūkenga or the relevant subsidiaries of Te Pūkenga are quality assured by the New Zealand Qualifications Authority (NZQA);
  - b. if the TEO is a wānanga or a PTE, the TEO is quality assured by NZQA; or
  - c. if the TEO is a university, the TEO is quality assured by New Zealand Vice-Chancellors' Committee.

***Programme eligibility***

25. The TEC must only fund a TEO for a programme of study or training funded from the ILN Refugee English Fund if the programme:
- a. leads to the award of an ESOL certificate or diploma at Level 3 or above on the NZQF; and
  - b. has been quality assured by either NZQA or the New Zealand Vice-Chancellors' Committee (where appropriate).

***Learner eligibility***

26. The TEC must only fund a TEO from the ILN Refugee English Fund in respect of a learner who:
- a. is a "domestic tertiary student" as defined under section 10(1) of the Act; and
  - b. has a refugee-background as defined in paragraph 5 of this funding mechanism.

**PART TWO: FUNDING CONDITIONS**

27. The TEC must attach the following specific conditions to funding paid under this funding mechanism:

***Tertiary Education Organisations***

28. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism must, for the length of the funding period, continue to meet the criteria specified at:

- a. paragraphs 17 and 18 of this funding mechanism, if the funding is from the ILN ESOL Fund; or
- b. paragraphs 23 and 24 of this funding mechanism, if the funding is from the ILN Refugee English Fund.

### ***Programmes***

29. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism must ensure that a programme in which an eligible learner is enrolled continues to meet the criteria specified at:
  - a. paragraph 19 of this funding mechanism, if the funding is from the ILN ESOL Fund; or
  - b. paragraph 25 of this funding mechanism, if the funding is from the ILN Refugee English Fund.

### ***Learners***

30. The TEC must attach to funding a condition that an organisation that receives funding under this funding mechanism must:
  - a. ensure that each learner who is enrolled in a programme of study or training continues to meet the criteria specified at:
    - i. paragraph 20 of this funding mechanism, if the funding is from the ILN ESOL Fund; or
    - ii. paragraph 26 of this funding mechanism, if the funding is from the ILN Refugee English Fund; and
  - b. verify the identity of each learner enrolled in a programme to confirm the learner's eligibility, in accordance with the requirements developed by the TEC.

### ***TEO responsibilities: ILN ESOL Fund***

31. The TEC must attach to funding a condition that a TEO that receives funding from the ILN ESOL Fund must have in place an effective assessment process for identifying each learner's initial literacy and numeracy needs, and measuring their progress, using the most appropriate version of the Literacy and Numeracy for Adults Assessment Tool.<sup>6</sup>
32. The TEC must attach to funding a condition that a TEO that receives funding from the ILN ESOL Fund must only allow a learner to re-enrol in a programme funded through the ILN ESOL Fund, for a period of up to five years in total.

### ***TEO responsibilities: ILN Refugee English Fund***

33. The TEC must attach to funding a condition that a TEO that receives funding from the ILN Refugee English Fund must only allow a learner to re-enrol in a

---

<sup>6</sup> Including Adult, Youth, Te Ata Hāpara and Starting Points, as appropriate.

programme funded through the ILN Refugee English Fund, for a period of up to three years in total.

34. The TEC must attach to funding a condition that an organisation that receives funding from the ILN Refugee English Fund must provide pastoral care services that supports the educational achievement of each learner.

#### ***Reporting withdrawals to Ministry of Social Development***

35. The TEC must attach to funding a condition that a TEO that receives funding from the ILN Refugee English Fund must report the withdrawal of learners to the Ministry of Social Development within five working days of that withdrawal. This is to enable student loans and student allowances to be cancelled as soon as possible.

#### ***Fees***

36. The TEC must attach to funding a condition that the TEO must not charge a fee to a learner who is participating in an eligible programme for which a TEO receives funding under this funding mechanism.

#### ***Subcontracting***

37. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism must not subcontract delivery of ESOL provision.

#### ***No other funding***

38. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism must:
  - a. not (without the TEC's prior written consent) seek or obtain funding from any Crown source (including a Crown entity or a company wholly owned by the Crown) other than the TEC to fund a programme or training scheme which is funded under this funding mechanism; and
  - b. notify the TEC immediately if it becomes aware of any circumstances that might result in a breach of subparagraph (a) of this condition.

#### ***Responsible use of funding***

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

#### ***Recovery of over-funding***

40. The TEC must attach to funding a condition that if a TEO receives funding under this funding mechanism that is greater than it should have been, or that it was not entitled to receive, the TEO must treat the amount of the over-funding as a debt due to the Crown that:



- a. is repayable on demand; and
  - b. may be set-off against all or any funding, or any sum of money payable by the TEC to the TEO.
41. The TEC must provide the TEO with reasonable notice before exercising its right to demand repayment or set-off the debt against all or any funding.

***Repayment of funding following revocation of funding approval***

42. The TEC must attach to funding a condition that if, in accordance with clause 16, Schedule 18 of the Act, the TEC suspends or revokes some or all of a TEO's funding paid under this funding mechanism before that funding has been used or contractually committed towards the purposes for which that funding was provided, the TEO must treat the unexpended or uncommitted portion of the funding as a debt due to the Crown that:
- a. is repayable on demand; and
  - b. may be set-off against all or any funding, or any sum of money payable by the TEC to the TEO.