



Office of Hon Paul Goldsmith

Minister for Tertiary Education, Skills and Employment

Minister of Science and Innovation

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Nigel Gould
Chair
Tertiary Education Commission
PO Box 27-048
Wellington 6141

Dear Nigel

Determination of Design of Funding Mechanism: Level 1-6 Qualification Development Fund

I am writing to advise you of the new determination of design of funding mechanism that I have made under section 159L of the Education Act 1989 for the Industry Training Fund. The new determination is set out in the appendix to this letter.

This Fund replaces the Strategic Leadership Fund. It recognises that industry training organisations do not cover all industries, and that other organisations have potential to contribute to a robust national qualifications framework.

Under section 159O of the Act, it is the Commission's responsibility to develop the operational policy and practices needed to implement my determinations of the design of funding mechanisms. I expect that the Commission 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



Paul Goldsmith
Minister for Tertiary Education, Skills and Employment

DETERMINATION OF DESIGN OF FUNDING MECHANISM: LEVEL 1–6 QUALIFICATION DEVELOPMENT FUND

PRELIMINARY PROVISIONS

Introduction and statutory authority

1. This determination, which is made under section 159L of the Education Act 1989 (the Act), specifies the design of the funding mechanism for the level 1–6 Qualification Development Fund (funding mechanism), which replaces the ITO Strategic Leadership Fund.

Purpose

2. The purpose of the Level 1–6 Qualification Development Fund is to support projects to develop and review qualifications on the NZQF that reflect industry need.

Off-Plan funding

3. The TEC must pay funding from the Level 1–6 Qualification Development Fund under section 159ZC of the Act.

PART ONE: THE FUNDING MECHANISM

GENERAL PARAMETERS

Effective period

4. This funding mechanism relates to funding for activities from 1 January 2018.
5. The TEC may exercise any of its administrative functions as required to give effect to this funding mechanism before this date.
6. The Industry Training Organisation (ITO) Strategic Leadership Fund expires as of 31 December 2017. However, the TEC may, under this funding determination, continue to fund projects for which it has approved funding under the Industry Training Organisation (ITO) Strategic Leadership Fund, as if that Fund remained in place.

Available funding

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

Eligible organisations

8. The TEC may not fund an organisation under this funding mechanism unless the New Zealand Qualifications Authority has formally approved the organisation as a qualification developer.

Eligible projects

9. Eligible projects must:

- a) consist of the development, or the review and development, of a New Zealand qualification or qualifications at levels 1 to 6 on the NZQF;
 - b) have industry or community support for the development of the qualification or qualifications; and
 - c) demonstrate collaborative arrangements with TEOs (not including TEOs that will receive funding for the project) willing to arrange or deliver training leading to the award of the qualification or qualifications.
10. The TEC must set appropriate criteria and monitoring and evaluation requirements for funded projects, to ensure that the projects provide value for money and contribute to the government's strategic objectives for tertiary education.

PART TWO: FUNDING CONDITIONS

General conditions for off-Plan funding

11. The TEC may impose any conditions on funding paid under this funding mechanism under section 159ZC that it considers necessary to ensure that funding will achieve the purpose for which it has been allocated.

Conditions that the TEC must attach to funding

12. The TEC must attach the following specific conditions on funding paid under this funding mechanism:

Eligible organisations and projects

13. The TEC must attach to funding a condition that an organisation that receives funding under this funding mechanism must, for the length of the funding period, continue to be approved by the New Zealand Qualifications Authority as a qualification developer, and to meet criteria specified by the TEC.

Responsible use of funding

14. 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

15. 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

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- b) may be set-off against all or any funding, or any sum of money payable by the TEC to the TEO.
16. 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.

TEC administrative responsibilities

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