



## Private Training Establishments (PTE) transitions funding

PTE transitions funding is a provision to help eligible PTEs to shift from the previous funding system and adapt to the new incentives of the Unified Funding System (UFS).

### What is the context of this funding?

- › In changing the incentives to support the objectives of the vocational education reforms, individual providers will be impacted to varying degrees. Some will see an overall reduction and others an overall increase in funding.
- › These changes are an important part of supporting a relevant, unified, and sustainable vocational education system.

### Why is transitions funding needed?

- › It may take time for some individual PTEs to transition from the previous funding system to the UFS, as some may need to introduce new programmes or delivery options. We are supporting this transition by providing eligible PTEs with transitions funding.

### What are the priorities for the transitions funding?

The priorities for PTE transitions funding are:

- › **Future focused:** Transitions funding will contribute to the costs of transition to the UFS, not of retaining current business models.
- › **Transitional:** Funding is time-limited for 2023 and 2024 only.
- › **Strategic:** The focus of this funding is on ensuring strategic and niche provision that is regionally and nationally important can be sustained to transition to the UFS.
- › **Equitable impact:** Funding considers the size of PTEs and their provision within the UFS, and their ability to respond.

### What are the criteria for receiving transitions funding?

PTE transitions funding supports priority and niche provision by PTEs facing significant funding reductions.

**To be eligible for transitions funding, PTEs must meet the following criteria:**

- a. A PTE faces a significant (at least 10 percent) fall in funding\* for UFS provision, **AND**
- b. is delivering either:
  - i. **Priority provision** – (e.g. primary industries, construction, engineering, early childhood education (ECE), hauora/whānau ora, healthcare) **OR**

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- ii. **Niche provision** – they are the only provider delivering a particular area of provision within the region or nationally.

\* based on funding for Delivery and Learner Components only.

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### How is the impact on PTEs calculated?

- › The impact on individual PTEs is assessed based on their combined funding from the delivery and learner components only but does not exclude them from accessing the strategic component.
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### When will I know if I am eligible for transitions funding?

- › PTEs who are eligible for transitions funding for 2023 will have this funding communicated to them as part of their indicative allocations, released in June 2022.
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### How long is transitions funding for?

- › Transitions funding will be available for 2023 and 2024 and will be paid in 12 equal monthly instalments. The amount available in 2024 will be less than in 2023.
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### When can I find out more?

More information will be made available over the next few months including:

- › informing eligible PTEs of their funding amount
- › providing further information about how the TEC will support PTEs to shift to the new incentives of the UFS.

For any other questions:

- › contact your relationship manager
  - › TEC Customer Contact Group 0800 601 301
  - › email [customerservice@tec.govt.nz](mailto:customerservice@tec.govt.nz)
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