



MP for Remutaka

Minister of Education

Minister of Health

Minister of State Services

Leader of the House

Minister Responsible for Ministerial Services

13 August 2020

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

Dear Jenn

Delegation to provide targeted assistance to Private Training Establishments of strategic importance in financial difficulty due to COVID-19

I am writing to advise you of my delegation of responsibility to the Tertiary Education Commission (TEC) to administer targeted funding to assist Private Training Establishments (PTEs) in financial difficulty due to COVID-19. This funding was appropriated as part of the International Education Strategic Recovery Plan.

The purpose of this funding is to provide financial assistance to PTEs experiencing financial difficulties due to the impact of COVID-19. I recognise that COVID-19 has had a large effect on many in the international education sector, and that this funding will only provide relief to some. I am focused on ensuring the stability of providers that contribute to regional significance or skill development needs, so that these providers can in turn support their regions when international students return.

PTEs must meet the below eligibility criteria in order to apply for funding. I do not expect that every eligible PTE will receive funding.

To be eligible to apply for this funding, PTEs must:

1. be a private training establishment as defined in section 10(1) of the Education and Training Act 2020;
2. hold a Category 1 or Category 2 External Evaluation and Review (EER) rating from the New Zealand Qualifications Authority (NZQA) as at 1 July 2020;
3. have experienced at least a 40% decline in revenue from 1 March to 31 December 2020 (actual and projected, with the latter auditable) compared with the same period in 2019. The decline in actual revenue must be related to COVID-19; and
4. had at least 50% of its enrolments in 2019, measured in equivalent full time students (EFTS), be international students.

Any PTE which meets the eligibility criteria and wishes to apply for funding must provide an application to the TEC. I expect the TEC to develop an appropriate application process. The TEC may ask for any information it deems necessary to assess the need of each PTE.

The TEC will assess applications based on the following criteria:

- a. **regional significance** –the PTE is the only provider of its type in the region, and/or attracts international students to the region, and/or is a significant employer in the region.
- b. **skills development** – the PTE supports the development of expertise which contributes to New Zealand in any of the following ways:
 - i. **industry priority** – by providing education in skills which have been identified by the TEC as contributing to an industry priority
 - ii. **sector contribution** – by providing pathways for students which support other organisations, providers, and/or business in New Zealand, and supporting the wider international education sector through recruiting from a variety of international markets
 - iii. **learner pathways** – the provider has a strong track record of supporting learners (international and domestic) into employment and/or tertiary education at higher levels.

The TEC can determine additional criteria to assess applications from eligible PTEs, as long as the additional criteria is aligned with the purpose and focus of the fund, and, that the additional criteria is published in the funding application form.

The TEC may consult with other education agencies when assessing applications.

The TEC must develop and publish funding conditions that limit how PTEs can use the funding.

The TEC must consider PTEs' views when determining the amount of funding to be allocated within the overall amount available. The amount of funding to be allocated and paid must be no more than the amount most likely to enable the continued operation of the PTE, at a minimum viable level (this may include hibernation).

This delegation will utilise funding appropriated within the Support for Private Training Establishments of Strategic Importance appropriation in Vote Tertiary Education. Up to \$9.9 million can be used in 2020/21.

I delegate to the Tertiary Education Commission (under section 409(j) of the Education and Training Act 2020)) authority to pay funding:

- to PTEs who meet the eligibility criteria above;
- whose applications best meet the assessment criteria above;
- of up to \$9.9 million in 2020/21 financial year.

I expect the TEC to:

- develop and publish funding conditions that include a condition or conditions that funding may be recovered from a provider if the provider does not comply with the funding conditions imposed by the TEC, or closes during the 2020/2021 financial year;
- develop and publish funding conditions that include a condition or conditions that require PTEs, if possible, to give the TEC security for repayment of the funding in the event that the PTE becomes insolvent, or chooses to close;

- develop and publish funding conditions that include a condition or conditions that require PTEs to give the TEC any information that it requests, including information regarding PTEs' financial status;
- report to me regularly on the funding allocated, including number and types of PTEs supported by this fund; and
- publish information on the PTEs that have received funding, including a public list that identifies each PTE funded and the amount of funding received.

This delegation applies from the date of this letter until 30 June 2021.

The TEC may exercise any of its administrative functions as required to give effect to this delegation outside of those dates.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'CH', is positioned above the typed name and title.

Hon Chris Hipkins
Minister of Education