

# DIRECT FUNDING AND SUPPORT FOR TRAINING AND ASSESSMENT Code of Practice

## Achievement bonus

30. If specified in the Funding Agreement, Tranzqual will pay the employer of a trainee a bonus payment recognising the achievements of a National Qualification. This may be used to offset employer contributions to the trainee achieving the qualification, or may be paid by the employer to the trainee in recognition of the trainee's achievement or trainee contribution to training and assessment costs.
31. If applicable, achievement bonuses will be paid by Tranzqual at the time the qualification is issued. Bonuses will be payable under the following conditions:
  - a. The full qualification requirements have been satisfied within the approved completion period as defined in the TEC Section 10 approvals. Variations will be considered on their merit.
  - b. The Training Agreement relating to the qualification is registered with Tranzqual.
32. The bonus will be paid to the employer or in some circumstances to the trainee where the trainee has met training costs.

## Cancellation of funding entitlement

33. Tranzqual reserves the right to cancel or withdraw funding entitlement in accordance with the relevant clauses in the Funding Agreement.

## Review of Code of Practice

34. This Code of Practice will be reviewed annually and in accordance with Tranzqual procedures.

## Purpose

This code of practice has been developed to:

- Provide policy and procedural guidance to funding recipients, potential funding recipients, and Tranzqual staff.
- Ensure consistent application of funding allocations and decisions.

## Overview

1. The Tertiary Education Commission (TEC) funds Tranzqual ITO on the basis of Standard Training Measures (STM) and Modern Apprentice brokerage fees. Tranzqual's Agreement with the TEC includes an obligation to achieve a minimum number of STMs and Modern Apprentices per quarter. Funding received is based on actual achievement of STMs and Modern Apprentices, and other obligations within the Agreement.
2. Tranzqual's Board has agreed that a portion of the funding received from the TEC contributes to the cost of training and assessment services provided to employers in the road transport and logistics industries. The funding paid by Tranzqual to assist industry may be through third party training providers and Modern Apprentice Coordinators, or direct to companies under a formal agreement.
3. In most circumstances Tranzqual industry training funding applies to TEC approved (Section 10) Limited Credit Programmes (LCP) and/or National Qualifications, and requires full completion of approved programmes.
4. Access to Tranzqual funding requires a *Tranzqual Funding Agreement (TFA)*.

## Definitions

5. The following definitions apply:
  - National Qualification: National Certificate or National Diploma.
  - Limited Credit Programme: A cluster of unit standards drawn from within a single National Qualification and which is formally registered with and approved by the Tertiary Education Commission.

- Section 10: The approval process specified in the Industry Training Act (1992) which signifies TEC approval for programmes to which Tranzqual funding may be used to support.
- Training Agreement: A formal agreement between employee (the trainee) and employer which outlines the training programme to be completed.
- Training Engagement Fee: A single fee charged for each National Qualification Training Agreement registered by Tranzqual.
- Tranzqual Funding Agreement (TFA): A formal Agreement between Tranzqual and a funding partner that outlines the terms and conditions of funding, specifies key performance targets and programmes for which funding has been approved.
- Workplace Training and Assessment (WTA) Agreement: A formal agreement between Tranzqual and an industry workplace that outlines the terms and conditions of funding, specifies key performance targets and programmes for which funding has been approved.

## Tranzqual funding and support

6. Tranzqual support for industry training and assessment covers a comprehensive suite of services and support, and may include:
  - Financial contribution linked to valid registered *Tranzqual Training Agreements* and completion of programmes and agreed quality training outcomes.
  - Achievement bonuses and other incentives to meet a specified objective.
  - Sponsorship
  - Sponsorship in kind (administrative or managerial support on behalf of industry).
  - Awards and scholarships
  - Services in lieu of funding, eg Literacy and Numeracy assistance, training needs analysis, provision of learning and assessment resources, research services, business advisory services, moderation advice and support, database management, development of training and Human Resources assistance, training and professional development for trainers and assessors.

7. Training for driver licence purposes is not eligible for Tranzqual funding except where such training falls within an approved Limited Credit Programme or National Qualification.

## Funding Agreements

8. Access to Tranzqual funding requires a *Tranzqual Funding Agreement* which outlines terms and conditions for funding and specifies performance indicators and minimum levels of activity.
9. *Tranzqual Funding Agreements* may be offered to:
- Registered training providers (see paragraph 10)
  - Approved companies (see paragraphs 11 and 17-20)
  - Other approved organisations or individuals (see paragraph 12)
10. Funding offered to training providers through a *Tranzqual Funding Agreement* is allocated following an open competitive bidding process. Bids are required to identify programmes for which Tranzqual funding is sought and the number of trainees targeted for each programme. The funding bid and the provider's performance are evaluated before any funding is allocated. Geographic coverage is also considered to ensure adequacy of supply and, in some cases, reduce duplication of effort.
11. Companies may be offered a funding agreement following an evaluation of workplace capacity and resources in accordance with paragraphs 17-20.
12. Agreements may, from time to time, be offered to other organisations and individuals, on submission of a funding proposal. Proposals must align to Tranzqual's overall industry training strategy and be aimed at:
- addressing a specific sector need.
  - assisting with the implementation of new sector programmes.
  - ensuring adequacy of supply for strategically important programmes.
  - meeting an industry training need where accredited provision is unavailable.
  - meeting the requirements of specialised programmes

The organisation or individuals are required to meet Tranzqual quality system requirements before funding will be granted. Agreements offered under this provision are usually shorter term in nature.

## Funding for industry trainees

13. An entitlement for Tranzqual funding to offset the cost of training and/or assessment to employers occurs when a trainee has a valid registered Tranzqual Training Agreement registered with Tranzqual and is registered with NZQA. For a training agreement to be considered valid it must:
- a. Be part of, or linked to an employment agreement entered into by the trainee with an employer, pursuant to the Employment Relations Act 2000.
  - b. Provide for a commitment to achieve a minimum of 20 credits per annum and have these credits registered on the National Qualifications Framework per annum.
  - c. Be for a specified period of time (not exceeding more than 125% of the specified programme duration).
  - d. Be for a programme approved by Tranzqual for funding purposes including those with formal approval from the TEC for funding purposes approved (Section 10 of the Industry Training Act 1992).
14. It should be noted that a training agreement is an agreement entered into between the trainee and the employer and that it places an obligation on the employer to provide training in accordance with the unit standards identified in the training and assessment programme (National Qualification or Limited Credit Programme). This training can be delivered on-job or off-job or a combination of both.

## Eligible trainees

15. Trainees are eligible to benefit from Tranzqual funding:
- a. Where they are in employment with a valid employment agreement, or employed in a business operating in any of the industries covered by Tranzqual (as defined in the *Tranzqual Industry Coverage: A Guide* available from [www.tranzqual.org.nz](http://www.tranzqual.org.nz))
  - b. If they are members of the New Zealand Defence Force, or
  - c. If they are members of the State Sector where Learning State coverage is limited, or
  - d. If they are self-employed contractors that meet the conditions described in paragraph 16, or
  - e. If they are employees receiving training under industry training programmes recognised by the TEC pursuant to Section 18(a) of the Industry Training Act 1992, and
  - f. If they do not already hold unit standards in a proposed programme or have not previously received subsidies for unit standards in that programme.

## Self employed contractors/ owner operators

16. Eligible contractors complete the normal training agreement documentation (including the employer section of the Training Agreement) and indicate in the space provided that they are owner/operators or contractors. In doing so they are committing to managing their own training.

## Workplace Training Agreement (WTA)

17. Tranzqual may provide funding through a formal Funding Agreement to assist employers who commit to the management of training and assessment in their workplace, who arrange delivery of their off-job training needs and who commit to the training of their employees to gain a National Qualification.
18. Employers who seek to access such funding are required to have their training and assessment systems, procedures and workplace environment recognised by Tranzqual as meeting standards for delivery of quality training outcomes. Refer to the *Workplace Training Capacity Recognition Checklist*.
19. Where the required recognition criteria are met, Tranzqual will grant recognition of workplace training capacity for a set period. Renewal decisions are based on the performance of the employer and outcomes achieved during the recognition period.
20. Where an employer has entered into an agreement with Tranzqual for funded workplace training and assessment the company waives their right to access any other TEC sourced funding for the same training programmes covered by the agreement.

## Funding rates

21. Funding rates are programme-based and detailed in the Funding Agreement.
22. Any changes to rates will be published with at least three months' notice.

## Payment of funding

23. Training Agreements and Training Schedules must be submitted to Tranzqual within 10 working days of the commencement of the programme. An invoice for the first payment may be submitted at the same time. Tranzqual reserves the right to reject a trainee and hence funding, where Tranzqual's coverage or eligibility criteria, or this timeframe is not met.
24. At the completion of the programme invoices must be forwarded to Tranzqual along with the following information:
- a. Identification of the approved programme by name and Tranzqual number if available.
  - b. Trainees by name (can be an attachment if invoice refers to an attachment).
  - c. Total cost of programme.
  - d. Industry contribution to programme costs.
  - e. Direct funding payable by Tranzqual.
25. Entitlement to funding for a trainee may cease where the trainee has exceeded the programme duration, as specified in the respective TEC Section 10 programme approval, by more than 125%.

## Training engagement fee

26. A Training Engagement Fee is charged for all Training Agreements registered by Tranzqual, including modern apprenticeship trainees.
27. The fee is invoiced to the principal organisation holding the *Tranzqual Funding Agreement* (this is usually the TFA or WTA partner).
28. The training engagement fee is non-refundable but is transferable. For example, should a trainee withdraw from training and the Training Agreement is terminated prior to training commencing, the funding partner may transfer funding entitlement and training engagement fees to another trainee. Where training has already commenced and an initial funding payment made by Tranzqual for the withdrawn trainee no transfer of training engagement fees can be made.
29. The fee is reviewed annually, the result of which will be advised with three months' notice.