

15 December 2016

Ref: OI/16/01273

Cody C

<mailto:fyi-request-5001-9778ecb3@requests.fyi.org.nz>

Dear Cody

Thank you for your request, received on 21 November 2016, for the following information under the Official Information Act 1982 (the Act):

*Specifically I would like to know (for each employer in the scheme):*

- *Name of employer (i.e. Employer McEmployerface Ltd)*
- *Programme delivered (i.e. Workplace Literacy or Nat.Cert. Computing L2)*
- *Total enrolled vs. completed students (i.e. 125/500)*
- *Pass rate of students (i.e. 25%)*
- *Total funding paid to the employer for the DFS programme*

*Additionally, considering that this is one of the first instances where employers were compensated directly for participation in the scheme it may be assumed that there is a potential for fraud to occur.*

- *What steps were taken to avoid fraud occurring in the programme?*
- *Were any employers "investigated" during the programme (for instance, employers cannot claim funding through the fund for recognised prior learning or they achieved a very high pass rate, i.e. >80%)? If so; which employer, for what reason and what steps were taken as a result (i.e. monies recovered)?*
- *How can a member of the public report possible fraud with the Direct Funding Scheme should they become aware of it?*

Seven organisations have participated in the direct funding scheme to date. The information requested regarding these organisations is attached to this letter. 2016 data and funding information is not included as this information will not be finalised until April 2017. All financial figures provided are GST exclusive.

Employers in the DFS cannot award qualifications listed on the New Zealand Qualifications Framework themselves. They partner with a tertiary education organisation (TEO), such as a registered private training establishment (PTE) or an industry training organisation (ITO). The TEO must meet the relevant New Zealand Qualifications Authority (NZQA) requirements for assessing and awarding qualifications.

NZQA, as part of its regular monitoring processes, conducts individual External Evaluation and Review (EER) of TEOs. An EER includes an assessment of sub-contracting, teaching, learning and assessment practices. The TEC also carries out audits of TEOs including their compliance with funding conditions.

In addition, employers are required to report trainee enrolment, achievement and completion details to the Tertiary Education Commission (TEC). This data is monitored to identify any anomalies in the delivery of DFS programmes. Achievement is verified against NZQA records.

TEC has the ability to review any educational arrangements it funds as part of its funding conditions.

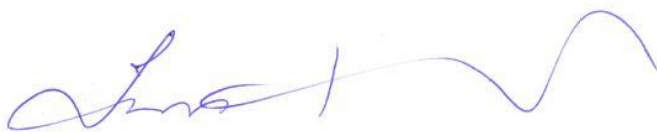
Programmes funded via the DFS are no more likely to be subject to 'fraud' than any other programmes funded directly through TEOs (ie, presence of an employer does not necessarily increase the risk). The requirement that an employer in the DFS is partnered with a TEO ensures the relevant quality assurance requirements are met.

To date, there have been no incidents or anomalies which would warrant an investigation by the TEC into the delivery of a DFS programme.

If anyone has any concerns about an organisation's compliance with funding conditions they should contact the TEC. If a person has concerns about fraud related to the delivery of DFS programmes they can contact the New Zealand Police, or the Serious Fraud Office.

Under section 28(3) of the Act you have the right to complain to the Ombudsman about my response.

Yours sincerely



Tim Fowler  
Chief Executive  
Tertiary Education Commission

## Ryman Healthcare Limited

Commenced training in the scheme: 1 Jan 2014 (still active)

2014 funded delivery: \$546,873

2015 funded delivery: \$1,562,177

Programme	Trainee enrolments funded in 2014 & 2015	Trainee enrolments expected to complete in 2014 & 2015	Trainee enrolments expected to complete in 2014 & 2015 that completed in 2014 & 2015	% completions for those expected to complete in 2014 & 2015	Trainee enrolments expected to complete in 2014 & 2015 that completed in 2016
Cleaning & Caretaking (L2)	166	151	33	22%	
Community Support Services (L3)	228	159	93	58%	3
Community Support Services (L4)	408	295	187	63%	4
Diversional Therapy (L4)	71	41	15	37%	
Health, Disability, & Aged Support (L2)	571	517	175	34%	2
Health, Disability, & Aged Support (L3)	760	501	262	52%	4
<b>Grand Total</b>	<b>2204</b>	<b>1664</b>	<b>765</b>	<b>46%</b>	<b>13</b>

## Engineering Taranaki Incorporated

Commenced training in the scheme: 1 Mar 2014

Exited the scheme: 31 Dec 2015

2014 funded delivery: \$53,671

2015 funded delivery: \$141,547

Programme	Trainee enrolments funded in 2014 & 2015	Trainee enrolments expected to complete in 2014 & 2015	Trainee enrolments expected to complete in 2014 & 2015 that completed in 2014 & 2015	% completions for those expected to complete in 2014 & 2015	Trainee enrolments expected to complete in 2014 & 2015 that completed in 2016
Apprenticeship in Engineering - Fabrication (L4)	33	-	-	-	-
Apprenticeship in Mechanical Engineering (L4)	28	-	-	-	-
<b>Grand Total</b>	<b>61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: all enrolments with Engineering Taranaki Incorporated were apprentices and therefore expected completion dates are around 3-4 years after enrolment.

## Southern Group Training Trust

Commenced training in the scheme: 1 Apr 2014 (still active)

2014 funded delivery: \$13,005

2015 funded delivery: \$65,099

Programme	Trainee enrolments funded in 2014 & 2015	Trainee enrolments expected to complete in 2014 & 2015	Trainee enrolments expected to complete in 2014 & 2015 that completed in 2014 & 2015	% completions for those expected to complete in 2014 & 2015	Trainee enrolments expected to complete in 2014 & 2015 that completed in 2016
Apprenticeship in Carpentry (L4)	48	-	-	-	-
<b>Grand Total</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: all enrolments with Southern Group Training Trust were apprentices and therefore expected completion dates are around 3-4 years after enrolment.

## New Zealand Kiwifruit Growers Incorporated

Commenced training in the scheme: 1 Aug 2014

Exited the scheme: 31 Dec 2015

2014 funded delivery: \$9,287

2015 funded delivery \$6,725

Programme	Trainee enrolments funded in 2014 & 2015	Trainee enrolments expected to complete in 2014 & 2015	Trainee enrolments expected to complete in 2014 & 2015 that completed in 2014 & 2015	% completions for those expected to complete in 2014 & 2015	Trainee enrolments expected to complete in 2014 & 2015 that completed in 2016
Horticulture (L1)	23	22	15	68%	-
<b>Grand Total</b>	<b>23</b>	<b>22</b>	<b>15</b>	<b>68%</b>	<b>-</b>

## Vodafone New Zealand Limited

Commenced training in the scheme: 1 Jun 2015 (still active)

2015 funded delivery: \$334,080

Programme	Trainee enrolments funded in 2015	Trainee enrolments expected to complete in 2015	Trainee enrolments expected to complete in 2015 that completed in 2015	% completions for those expected to complete in 2015	Trainee enrolments expected to complete in 2015 that completed in 2016
Adult Education & Training (L4)	8	-	-	-	-
Adult Education & Training (L5)	12	12	-	0%	11
Business (L4)	14	14	14	100%	-
Contact Centres (L3)	55	6	-	0%	-
Project Management (L4)	33	-	-	-	-
Project Management (L5)	13	-	-	-	-
Sales (L3)	126	-	-	-	-
<b>Grand Total</b>	<b>261</b>	<b>32</b>	<b>14</b>	<b>78%</b>	<b>11</b>

## Fletcher Building Holdings Limited

Commenced training in the scheme: 1 Aug 2015 (still active)

2015 funded delivery: \$337,549

Programme	Trainee enrolments funded in 2015	Trainee enrolments expected to complete in 2015	Trainee enrolments expected to complete in 2015 that completed in 2015	% completions for those expected to complete in 2015	Trainee enrolments expected to complete in 2015 that completed in 2016
Competitive Manufacturing (L3)	463	-	-	-	-
Competitive Manufacturing (L4)	175	-	-	-	-
<b>Grand Total</b>	<b>638</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

This employer started late in 2015 so no completions were expected in 2015.



## St John New Zealand

Commenced training in the scheme: 1 Apr 2016 (still active)

<b>Programme</b>
Emergency Care (L3)
Ambulance Practice (L5)
<b>Grand Total</b>