



Our approach to calculating the 2021/22 Hardship Fund for Learners recovery

This document provides the 2022 recovery methodology and technical specifications for the calculation of funding wash-ups for the Hardship Fund for Learners 2021/22 funding.

The information in this document provides a summary of how your HAFL washup was calculated. For more details regarding your specific washup, please contact customerservice@tec.govt.nz or your Relationship Manager.

We will recover unspent funding, funding used on ineligible goods or services and funding spent on ineligible learners. This methodology applies to all TEOs who have been allocated HAFL funding in the 2021/22 financial year and is in alignment to the HAFL Funding Conditions.

How will your recovery be calculated?

Your **net recovery** will be equal to your **Final Amended Allocation** less your **Total Expenditure plus invalid usage** (based on invalid learners in the Usage based on any condition offsets or adjustments). This includes any specific or one-off condition offsets, exemptions, or adjustments as outlined below.

Process for calculation:

Step 1: We calculate the **Final Amended Allocation** for HAFL funding allocated in the 2021/22 financial year (including in-year amendments and additional allocations). This is all allocations for the period 1 July 2021 to 30 June 2022.

Step 2: We calculate the amount that you have used based on your **HAFL Expenditure Report**, in dollars over the period (“Actual Delivery”), based on the:

- › **2021 actual expenditure data** - submitted through the 31 December 2021 Hardship Expenditure report (or report to 30 September 2021 where report to 31 December 2021 not submitted); and
- › **2022 actual expenditure data** - submitted through the 30 June 2022 Hardship Expenditure report (or report to 31 March 2022 where report to 30 June 2022 not submitted)

If both reports are missing in either 2021 or 2022, the 2021 or 2022 expenditure will be considered zero (\$).

Step 3: We calculate the any condition offsets by each instance of HAFL support provided to learners based on your **Usage Report**, in dollars over the period, based on the:

- › **2021 actual usage data** - submitted through the 31 December 2021 Hardship Usage report (or report to 30 September 2021 where report to 31 December 2021 not submitted); and
- › **2022 actual usage data** - submitted through the 30 June 2022 Hardship Usage report (or report to 31 March 2022 where report to 30 June 2022 not submitted).

- › **December 2021 and August 2022 SDR Data** - both for the preliminary wash-up and the final wash-up, data submitted through the December 2021 and August 2022 Single Data Return (SDR). As well as the Industry Training Register for Industry Training Fund (ITF) funded TEOs for the specific Technology Access Purpose.

A condition offset is delivery that is not funded because it does not meet the HAFL funding conditions.

We will apply the following condition offsets and remove ineligible National Student Numbers (NSNs) (and their associated usage amounts in dollars (\$)) from actual 2021 and 2022 usage data where:

- › learners enrolments and programmes are delivered outside the funding period; or
- › learners whose enrolments and programmes are not currently funded under any of the funds listed in Section 1.1 (a) of the HAFL condition; or
- › we are unable to validate the student enrolment reported in the Hardship Expenditure IPI report, against actual reporting; or the TEO has not submitted their expenditure template or
- › the expenditure template reported a zero dollar spend.

Step 4: We calculate the **net spend position** with:

- Final Amended Allocation (*result from step 1*)
- Less (-) Total HAFL Expenditure (in dollars) (*result from step 2*)
- Plus (+) condition offsets associated with the total usage on individual learners (*result from step 3*)

Step 5: We calculate **Funding wash-up payments** by:

- **Where the methodology results in a positive value**, we will recover the difference between the Tertiary Education Organisations (TEO's) Final Amended Allocation and the result of the methodology.
- **Where the methodology results in a negative value**, no recovery will be made, and no additional payments will be made.

TEO specific exceptions / other processes

s556 funded TEOs: Learners are eligible to receive payments or resources directly from the TEO through the fund in respect of a learner who is enrolled in eligible programmes for which you receive funding under the Relevant Funds(s). Tertiary providers being funded under section 556 of the Education and Training Act 2020 are eligible for HAFL funding.

Employers: As employers do not report learner information through the SDR or ITR, no learner-based condition offsets will occur for the washup on HAFL received by employers.

Merged TEOs: The recovery calculation considers mergers during the HAFL funding period in 2022.

Timeline for finalising wash-ups

1. A preliminary HAFL funding recovery amount will be calculated in **September 2022** (after the August 2022 SDR), with the preliminary HAFL funding recovery amount shared with TEOs before **23 September 2022**.
2. TEOs will have one month (to 24 October 2022) to query their preliminary HAFL funding recovery amounts and until **28 October 2022** to correct any issues and resubmit data.
3. A final HAFL funding recovery amount will be calculated and shared with TEOs before **14 November 2022**.
4. Recovery payments will be offset against payments occurring **1 December 2022**.