



4 April 2013

Ref: OI/13/00110

Ms Irene King
Aviation Industry Association of NZ (Inc)
Level 5, Agriculture House
12 Johnston Street
PO Box 2096
WELLINGTON 6140

Dear Irene

Thank you for your letter to the Tertiary Education Commission (TEC), received on 5 March 2013, regarding TEC's 2013 decision to "allocate funding to EFTS funded schools undertaking pilot training", requesting, under the Official Information Act (1982) (OIA):

1. The process of allocation including any requirements imposed on schools in the process of bidding for EFTS funding
2. The decision to allocate EFTS funding
3. The criteria upon which the decision to allocate EFTS funding was based
4. Any communication with other parties on the allocation process and in particular the decisions around funding certain providers and not others
5. Any requirements and time lines relating to the submission of Investment plans
6. Confirmation that all applicants for EFTS funded training were required to submit Investment plans
7. Confirmation that investment plans were received from all applicants and if not the proportion who submitted plans, the proportion who did not submit plans
8. Any data upon which the TEC relied to make its decisions in respect of the 450 cap
9. The process by which decisions were made to allocate the EFTS cap.

I understand that Janine McGruddy, Senior Advisor Government Services, contacted you on 6 March 2013, and you agreed to withdraw point nine from the request.

Where your request relates to information within a document held by TEC, the document and the part of your request it relates to is set out in the Appendix, and the documents are enclosed with this letter.

In regards to bullet points five to seven, I can confirm that, in accordance with the Gazette notice: *Education (Proposed Investment Plans: Requirements, Content, Submission and Assessment)*, published on the TEC website on 23 March 2012 and pursuant to sections 159P, 159R, 159U and 159Y of the Education Act 1989:

To be eligible to access TEC funding from 2013 onwards, all TEOs other than those exempted by this notice are required to submit a proposed Plan. Previous allocation of TEC or Government funding does not create an entitlement to future funding at any level from TEC.

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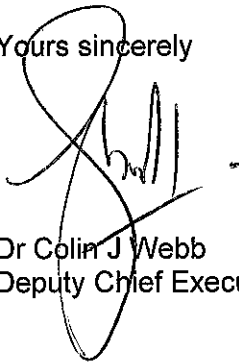
The full text of this Gazette notice is available at the following web page - <http://www.tec.govt.nz/Funding/investment-plans/Gazette-Notices-for-Plans-2012/#proposed>.

All providers seeking aviation funding in 2013 submitted an Investment Plan to TEC.

Some sections of the enclosed documents have been removed as they are out of the scope of your request. Names of TEC personnel below the level of Chief Advisor have been withheld under section 9(2)(a) of the Official Information Act (1982).

Under sections 19 and 28(3) of the Official Information Act 1982 you have the right to ask an Ombudsman to review this decision.

Yours sincerely

A handwritten signature in black ink, appearing to read 'C Webb', written over a large, loopy scribble.

Dr Colin J Webb
Deputy Chief Executive

Appendix – TEC documentation being released in response to the request for information

Reference	TEC Objective reference	Document name	Document description	Relevant to these parts of the request
1	A718777	2013 SAC funding allocation approach for pilot training provision – Recommendations from consultation and initial allocations – seeking Agreement	Memo showing approval of approach to 2013 aviation funding allocations, and the initial allocations	Bullets 1-3
2	A708693			
3	A708691			
4	A708689			
5	A708687			
6	A708684			
7	A708681			
8	A708677			
9	A708675	Pilot training funding approach for 2013 - consultation	Letters to providers consulting on a proposed 2013 allocation approach	Bullet 4
10	A708673			
11	A708669			
12	A708695			
13	A708699			
14	A708700			
15	A708702			
16	A708704			
17	A719519			
18	A719701	Pilot training funding approach for 2013 – sector consultation outcome	Letters to providers to communicating the outcomes of consultation, and the 2013 allocation approach	Bullet 4
19	A719712			
20	A719692			
21	A719613			
22	A719618			
23	A719699			
24	A719700	Pilot training initial funding allocation for 2013	Letters to providers communicating the outcomes of consultation, and the 2013 allocation approach, and initial allocation for that provider	Bullets 4 and 5
25	A719702			
26	A719703			
27	A719704			
28	A719705			
29	withdrawn	Repeat of appendix 1 document no. 1 [A718777]		
30	A720863	Recommendation for proposed Investment Plan for Mainland Aviation College (7934) – Seeking approval		
31	A742767	2013 PTE Plan funding recommendations: seeking approval		
32	A745945	Recommendation for proposed Investment Plan for Air New Plymouth (8930) and International Aviation Academy NZ (8589) and final funding decision for Mainland Aviation College (7934) – Seeking approval	Memos showing approval of 2013 funding allocations / decline of funding requests	Bullets 1-3
33	A748038	Investment Plan recommendations for 2013 SAC funding – pilot training – Seeking agreement		
34	A758454	RE: Pilot supply concerns from Air New Zealand	Email from Air New Zealand to Grant Klinkum, TEC	Bullet 4



File reference: A714967

Memorandum

To: Grant Klinkum, General Manager – Tertiary Investment

Via: Bob Carson, Chief Advisor – PTE and CE Investment
 Leanne Smith, Chief Advisor – ITP Investment
 Lesley Middleton, Acting Chief Advisor – University Investment

From: ~~Withheld under s9(2)(a)~~ Senior Advisor – PTE and CE Investment

Date: 10 September 2012

Subject: **2013 SAC funding allocation approach for pilot training provision – Recommendations from consultation and initial allocations – Seeking Agreement**

Purpose

1. This memorandum provides you with an analysis of feedback received during the recent consultation process conducted on the TEC's proposed approach for allocating 2013 Student Achievement Component (SAC) funding for pilot training provision. It also seeks your agreement to the proposed approach and to the 2013 SAC initial allocations (in Appendix 1) for tertiary education organisations (TEOs) delivering pilot training.

Background

2. A Government review into pilot training was instigated in 2010 based on the following concerns:
 - 2.1. value of pilot training, particularly about the quality and relevance of the education delivered;
 - 2.2. poor employment outcomes for graduates;
 - 2.3. high levels of student debt incurred; and
 - 2.4. value of sub-contracting arrangements in aviation training, in particular, the subcontracting of private training establishments (PTEs) by institutes of technology and polytechnics (ITPs).
3. Based on the outcome of the review, Cabinet agreed a series of changes to pilot training provision. The most relevant for the TEC was the reduction of the pilot training equivalent full-time student (EFTS) cap from 600 to 450 from 2012 [CAB Min (11) 37/32].
4. In 2011, the TEC allocated SAC funding for pilot training to the following TEOs:

TEO	Qualification type	Approximate 2011 EFTS
Ardmore Flying School Ltd*	Level 5 Diploma	25
Eastern Institute of Technology (EIT)	Level 6 Diploma	29
Nelson Marlborough Institute of Technology (NMIT)	Level 6 Diplomas	342
Southern Institute of Technology (SIT)	Level 5 Diploma	38
Whitireia Community Polytechnic	Level 4 and 5 Certificates	36

Massey University	Level 7 Degrees and Level 8 Post-Graduate Diploma	130
Total		600
*Ardmore was also a subcontractor through NMIT		

5. The reduction in the EFTS cap reduced associated SAC funding available for allocation by the TEC in 2012. Therefore, a contestable process was conducted in August 2011 to determine allocations in line with the cap. The process also aimed to allocate funding in a way that would reduce sub-contracting, with the intention to eventually remove it entirely, and ensure purchase of high-quality pilot training provision. A summary of the assessment criteria used to assess applications are included in Appendix 2.
6. Applications were received from 21 TEOs with varied approaches to funding. Some stated an intention to act as subcontractors, others were standalone proposals, while a further group were open to either subcontracting or being directly funded. These approaches were also considered in conjunction with the distribution of EFTS enrolled prior to and continuing into 2012, and EFTS enrolling for the first time in 2012 (new EFTS).
7. Recommendations for funding² were made to the TEC Board of Commissioners (the Board) at its November 2011 meeting. These recommendations are outlined in Appendix 3. The Board agreed these recommendations and also agreed to discontinue sub-contracting arrangements for new EFTS enrolling in 2012 for 2013 and into the future.

Pilot training qualification changes

8. From 2012, the New Zealand Diplomas in Aviation (level 5 and 6) were introduced after industry and sector consultation. These qualifications will eventually replace all previous diploma and certificate level qualifications. Students that are currently part way through previous qualifications are able to continue their studies until completion of the qualification. All new EFTS from 2012 should be enrolled in the new diplomas.

Budget 2012

9. Budget 2012 announced that from 2013, the Government's tuition subsidy for pilot training provision will increase by 19.9%. This increase will occur by moving relevant courses from funding category C to funding category M of the SAC funding rates. In addition, a student loan fee-borrowing limit per EFTS of \$35,000 will be introduced for pilot training students. This limit will apply to new enrolments from 1 January 2013 and aims to improve loan repayment records of students.

Current and forecast enrolment information

10. In late July 2012, the TEC sought information from directly funded organisations regarding their current and forecast enrolments in 2012 and forecast enrolments for 2013. This information is outlined below.

¹ This included fixed wing (plane) and rotary wing (helicopter) pilot training.

² Allocations were made on an EFTS basis because of the EFTS cap. Funding was attached after EFTS allocations were made.

Proposed allocation approach

11. The proposed allocation approach for 2013 SAC funding for pilot training provision aims to:
 - 11.1. maintain and further promote a small yet effective, high quality network of provision;
 - 11.2. promote future stability, from a funding perspective, in a sector that has recently been subject to change in a range of areas;
 - 11.3. minimise the administration cost for the TEC by including the approach fully into the Investment Plan (Plan) process, i.e. not holding a separate contestable round;
 - 11.4. continue to reduce subcontracting arrangements while ensuring that TEOs have the opportunity to provide for continuing EFTS;
 - 11.5. ensure any approach is legally robust and meets the TEC's natural justice obligations.
12. The approach proposes to meet the above aims by building on 2012 funding arrangements and providing initial allocations to TEOs that were allocated funding for EFTS enrolled in pilot training for the first time in 2012. This includes TEOs that were funded directly or subcontracted to deliver to new EFTS in 2012. This approach would see 10 TEOs (nine PTEs and Massey University) funded directly in 2013³.

Sector consultation

13. At its August 2012 meeting, the Board agreed to the proposed approach outlined above. It also agreed that the TEC seek feedback from current (2012) TEOs on the proposed approach. In mid-August the TEC consulted with pilot training TEOs on its proposed approach outlined above. The TEC received feedback from 14 TEOs (13 PTEs and Massey University). Nine TEOs supported the TEC's proposed approach. Five TEOs stated their preference for a contestable funding round for 2013 and future funding. The feedback received from all TEOs is summarised below (the feedback from TEOs is included in Appendix 4).

Consultation feedback

14. Some TEOs discussed the effects of recent policy changes on the pilot training sector and the New Zealand Aviation industry. TEOs forecast that there is likely to be a reduction in student demand because of the Student Loan fee limit to be introduced from 2013. A predicted pilot shortage was also mentioned with reference to the Aviation Travel and Tourism Training Organisation's (ATTTO) report, "*Pilot Supply Critical to Growth of Aviation Industry*". Some TEOs consider the data used to inform policy changes was out of date and occurred during a period when employment opportunities were low for pilots. This feedback relates to the policy settings for pilot training and is largely outside the TEC's control.
15. TEOs with a preference for a contestable process stated it is likely that non-TEC funded organisations would face financial difficulties which may lead to a reduction in the number of pilot training organisations. They state that this is compounded by the attrition of many pilot instructors moving into the domestic and international aviation industry. An example provided states that 21 of 24 B-Category flight instructors from one TEO have moved into the aviation industry as pilots in 2012. It was also stated that greater diversity in pilot training TEOs would ensure sharing of knowledge and experience and that the potential loss of some TEOs could impact on this in the short term. However, it

³ In addition, NMIT would also receive funding for students that still need to complete their studies in 2013 through sub-contracting arrangements.

was further stated that this would be mitigated over the long term.

16. Two TEOs raised concerns with the contestable process conducted for 2012 funding and the basis by which funding allocations were made. In particular, they state that the TEC was unable to determine what constituted "high-quality" pilot training provision. They also state their concern with the TEC's proposed approach of building on – what they considered – a "flawed" process for 2012 funding.
17. Most TEOs acknowledged that the TEC's approach would provide stability and certainty for the sector in 2013 and would provide confidence and security to invest in retaining staff (such as experienced instructors) and physical resources. It was also stated that this would contribute to improving student outcomes.

Discussion

18. It is recommended that the TEC proceeds with the proposed allocation approach for 2013 funding outlined above. Feedback from TEOs indicates strong support for the TEC's proposed approach with most TEOs acknowledging the TEC's aim to provide stability in the sector and certainty for 2013 funding by providing viable allocations to a small, high-quality network of TEOs.
19. The approach builds on the extensive assessment conducted during the application process for 2012 funding. During the process TEOs were provided the opportunity to submit additional information to support their application. As a result, the scores of some TEOs increased and in one case a TEO not previously allocated funding was successful in receiving an allocation. The 2012 funding arrangements (in particular the balance between sub-contracting and direct funding, and continuing and new EFTS) have created a foundation for 2013 funding arrangements which will be further strengthened by the recommended allocation approach for 2013.
20. A contestable process would create uncertainty for TEOs funded in 2012 and would increase complexity of funding arrangements, depending on the outcome of any contestable process. The administration cost associated with a contestable process would also outweigh any benefit gained from the process. As the TEC is currently engaged in a full Investment Plan (Plan) round for all sectors, there is insufficient time and resource to conduct a full and robust contestable application process. A contestable process would also cause significant delays in communicating allocations to TEOs and risk timely delivery of 2013 provision.

Risks and mitigation

21. If the proposed approach is agreed, it is likely that some TEOs, that would not receive 2013 funding, may challenge the approach. One PTE (Mainland Aviation College⁴) has challenged the outcome of the contestable process throughout 2012 and has recently engaged legal assistance.
22. The TEC has already received proposed Plans from two PTEs that would not receive an allocation under the proposed approach⁵ (Mainland Aviation College and Air New Plymouth). The TEC is required to assess the proposed Plans under section 159YA of the Education Act 1989 (the Act). These Plans will be assessed simultaneously with the other proposed Plans and funding recommendations presented to the Delegated Authority in late-October / early-November. This approach would mitigate any risk with

⁴ Mainland Aviation College was not directly funded in 2012 and would not receive an allocation under the proposed approach for 2013.

⁵ These were submitted by 5 September 2012, the communicated due date for Plans.

not providing those TEOs an allocation.

Application of approach

23. It is recommended that initial allocations for the ten TEOs considered under the approach be based on forecast 2012 and 2013 enrolment information provided by the TEOs and 2012 direct or sub-contracted allocations. Allocations will also need to take account of the 450 EFTS cap for pilot training in effect for 2013.
24. As most of the TEOs recommended for initial allocations are new to funding in 2012 or will be in 2013 (except Ardmore Flying School and Massey University), it will not be possible to use prior performance to inform or formulaically determine allocations in the same way that 2013 initial allocations were determined for other SAC funded TEOs. The TEC would expect TEOs to include such information and evidence in their proposed Plans to meet the Plan assessment criteria. Based on the assessment of proposed Plans, allocations may be subject to change during Plan engagement with TEOs.

Reduction to subcontracting arrangements – ITP allocations

25. The TEC will continue to reduce sub-contracting arrangements in 2013. In 2012, only NMIT, SIT and Whitireia are still sub-contracting a range of PTEs to deliver pilot training (approximately 273 EFTS). SIT and Whitireia have confirmed that they will withdraw from pilot training provision from 2013⁶.
26. NMIT has confirmed it will have approximately 36 EFTS that will need to be completed in 2013. It is recommended that NMIT is allocated funding for these residual EFTS to complete. This will ensure a smooth transition for the associated students and exit for NMIT from pilot training. If NMIT is not funded for these EFTS, the students will need to be withdrawn from NMIT and re-enrolled at the subcontracted PTEs. In some cases these PTEs would not receive a funding allocation under the proposed approach which would require significant engagement with these PTEs to manage the transition for these students. The ITP Investment team will continue to monitor the number of EFTS required to complete in 2013 at NMIT and make amendments as required. NMIT have agreed to complete these continuing EFTS.
27. Due to the small number of EFTS sub-contracted to multiple PTEs by NMIT in 2013, it is recommended that 10 EFTS remain unallocated to manage any potential underestimation of the 2013 pipeline. This occurred for 2012 on a larger scale, resulting in the recalculation of allocations and prolonging the allocation process.

Allocations and rationale

28. The recommended initial allocations are outlined in the table in Appendix 1 with rationale supporting the level of EFTS for each TEO. It is likely that in some cases it will not be possible to allocate the level of EFTS TEOs have forecast for enrolment in 2013. This is because the TEC will need to balance allocations across the ten TEOs to ensure allocations are viable for all TEOs and within the 450 EFTS cap.

Continuing and new EFTS

29. TEOs will be required to manage their continuing EFTS from 2012 and new EFTS for 2013 within their allocation i.e. the TEC will not dictate the number of new and continuing EFTS enrolments for individual TEOs as was done for 2012 funding.

⁶ New EFTS enrolled at the ITPs in 2012 will need to be withdrawn from the ITP and re-enrolled at the relevant PTE. The PTE would need to recognise the student's prior learning at the ITP.

Management of allocations

30. TEOs have indicated that it is likely the introduction of the Student Loan fee borrowing limit from 2013 will reduce demand for pilot training. The extent of this impact is not yet known. The TEC will need to regularly monitor TEO enrolments to ensure that they are on track to consume their 2013 funding. Where TEO enrolments are below their allocation the TEC may consider negotiating in-year reductions to allocations and reallocate if demand exists at other TEOs (within the EFTS cap). The TEC will also monitor enrolments to ensure TEOs are not over-delivering on their allocation and that the 450 EFTS cap is not breached.
31. As pilot training is funded through SAC, all 2013 funded TEOs will be subject to the SAC funding rules and conditions, performance expectations (in particular the educational performance indicators and performance-linked funding) and recovery processes, subject to the EFTS cap.

Available funding - distribution of funding between PTE and ITP SAC pools

32. There is \$5.209 million of SAC funding available for allocation in 2013 for pilot training. This includes additional funding made available in Budget 2012 through changes to the funding category for pilot training provision from 2013.
33. 2012 SAC funding for pilot training was made available from the individual sub-sector SAC appropriations once final funding decisions were made. As the majority of funding prior to 2012 was allocated to ITPs, the majority of funding associated with pilot training has remained within the ITP sub-sector appropriation. Even though there was a decrease in total allocations to ITPs and an increase in total allocations to PTEs for 2012, funding was not transferred. Therefore, 2012 funding allocations for PTEs were made available from underspends in the PTE appropriation.
34. As part of Budget 2012 Cabinet agreed that 10% of level 3 and above SAC funding can be allocated without reference to sub-sector [CAB Min (12) 13/5 - Tertiary Education Package for Budget 2012]. As pilot training provision is at level 5 and above, at this stage, it is not necessary to transfer funding between sub-sector appropriations. However, as part of standard annual Budget process, sub-sector appropriation splits are recalculated for the next year's Budget.
35. Funding allocations have been based on an average rate for each sub-sector. The average rate has been based on the course classifications of the relevant pilot training courses delivered in 2012. The rate also takes into account the increase in the funding rate for pilot training through the move from funding category C to M. The average rate for each sub-sector has then been multiplied by each TEO's EFTS allocation.

2013 average sub-sector rates for pilot training	
PTEs	\$11,177.60
ITPs	\$10,634.35
Universities	\$11,717.66

Next steps

36. If the allocation approach and initial allocations recommended in this memorandum are agreed, all TEOs involved in the consultation process will be notified of the outcome. In addition, those TEOs that have an initial allocation agreed will also have this communicated to enable them to prepare and submit a proposed Plan to the TEC for 2013 funding.

Recommendations

37. It is recommended that you:

37.1. **note** the feedback received from pilot training TEOs on the TEC's proposed approach for 2013 funding allocations;

37.2. **agree** to the 2013 allocation approach for pilot training TEOs which provides initial allocations to TEOs that were allocated funding for EFTS enrolled for the first time in 2012. This approach would see 10 TEOs (nine PTEs and Massey University) funded directly in 2013;

Agree / Not agree

37.3. **agree** the 2013 initial allocations for pilot training TEOs listed in Appendix 1 which total \$4,956,913 million in SAC funding;


Agree / Not agree

37.4. **agree** that NMIT receive a 2013 allocation of \$382,836 for 36 continuing EFTS and that this will be the only case of sub-contracting for 2013; and

Agree / Not agree

37.5. **agree** that 10 EFTS remain unallocated to manage any potential underestimation of the 2013 pipeline.

Agree / Not agree


Dr Grant Klinkum
General Manager – Tertiary Investment

05/10/12
Date:

Appendix 1 – Proposed 2013 initial allocations for pilot training TEOs

Edumis	Organisation Name	Proposed 2013 initial allocation	Proposed 2013 SAC funding allocation	Rationale for initial allocation
7256	Southern Wings Region: Invercargill, Southland Air New Zealand Flight Training Organisation	30	\$335,328.00	Southern Wings was originally allocated 4.5 EFTS directly for 2012 and has a current Plan in place. This was increased in August 2012 to 11.5 through a transfer of 7 EFTS from SIT, its sub-contractor. Southern Wings is subcontracted by SIT for 10.5 EFTS in 2012. A total of 22 EFTS was allocated to the Southland region in 2012. SIT will withdraw from pilot training in 2013 therefore as Southern Wings is the only pilot training TEO in Southland region it is proposed that SIT's allocation is transferred to Southern Wings. Southern Wings has forecast that an allocation of 32.6 ETS is required to cover 2012 students continuing into 2013 and maintain a viable, economic level of new enrolments (two intakes of 10 students during the year). Southern Wings was ranked 3 rd equal in the application process for 2012 funding. Southern Wings was recently rated as Highly Confident in both Educational Performance and Self-Assessment by NZQA in its EER.
8589	International Aviation Academy of New Zealand (IAANZ) Region: Christchurch, Canterbury Air New Zealand Flight Training Organisation	40	\$447,104.00	IAANZ was allocated 22 EFTS directly for 2012 and has a current Plan in place. IAANZ is the only funded TEO in the Canterbury region. It is also subcontracted by NMIT in 2012 for 33 EFTS. IAANZ has forecast that an allocation of 75.5 EFTS is required to cover 2012 students continuing into 2013 and new enrolments. IAANZ has received approximately 55 EFTS in 2012 directly or through subcontract. To ensure viable allocations for other TEOs, within the cap, it will not be possible to allocate IAANZ the level of EFTS they have forecast. IAANZ was ranked 3 rd equal in the application process for 2012 funding.
8638	Ardmore Flying School (AFS) Region: Auckland	50	\$558,880.00	AFS was allocated 15 EFTS directly for continuing and new students for 2012 and has a current Plan in place. It is also sub-contracted by NMIT in 2012 for 42 EFTS. AFS was the only PTE funded directly prior to the pilot training review. It was previously funded directly for 25 EFTS. The total number of EFTS AFS receives through sub-contracting and directly indicates that there is capacity for it to manage a greater allocation. It is also the only funded pilot training TEO in the Auckland and Northland region delivering fixed wing provision. Ardmore has forecast that it would require 77 EFTS in the future to provide a viable allocation and enable AFS to train a sufficient number of instructors. AFS has also indicated to the TEC that due to some issues with managing enrolments it has a number of students that have not been included in original estimates. Due to the cap it will not be possible to allocate the required number of EFTS and AFS will be required to manage these enrolments within their future allocations. AFS ranked 4 th in the application process for 2012 funding.

Edumis	Organisation Name	Proposed 2013 initial allocation	Proposed 2013 SAC funding allocation	Rationale for initial allocation
8594	Air Hawke's Bay Ltd (AHB) Region: Hastings, Hawke's Bay Air New Zealand Flight Training Organisation	38	\$424,748.80	AHB was allocated 25 EFTS directly for 2012 and has a current Plan in place. AHB was previously sub-contracted by EIT. AHB has forecast that an allocation of 40.2 EFTS is required to cover 2012 students continuing into 2013 and new enrolments. AHB is the only pilot training TEO in the Hawke's Bay, Gisborne and part of the Bay of Plenty regions. AHB ranked 3 rd equal in the application process for 2012. AHB was recently rated as Confident in both Educational Performance and Self-Assessment by NZQA in its EER.
7661	CTC Aviation (CTC) Region: Hamilton, Waikato	40	\$447,104.00	CTC was allocated 5 EFTS directly for 2012 and has a current Plan in place. CTC is also subcontracted by NMIT for approximately 16 EFTS. CTC has requested a total of 105 EFTS for continuing and new students in 2013. This is a significant increase compared to its current allocation. CTC's 2012 Plan indicates that it has capacity for such a high allocation. However to ensure viable allocations for all TEOs, within the cap, it is not possible to allocate at this level. In addition, Waikato Aero Club is also located in Hamilton (at the same airfield). CTC was ranked 1 st in the application process for 2012 funding. CTC was recently rated as Highly Confident in both Educational Performance and Self-Assessment by NZQA in its EER.
6011	NMIT	36	\$382,936.54	NMIT has indicated that it requires approximately 36 EFTS to complete continuing students at its sub-contracted TEOs around the country. NMIT's allocation will be the only remaining EFTS in 2013 to be sub-contracted. It is expected that they will be completed in 2013 and that NMIT will withdraw from pilot training entirely from 2014.
7003	Massey University (Massey) Region: Palmerston North, Manawatu, Wanganui Air New Zealand Flight Training Organisation	108	\$1,265,507.03	Massey is the only TEO delivering degree and postgraduate level pilot training qualifications. Massey was allocated 104 EFTS for 2012 and has forecast that an allocation of 118 EFTS is required to cover 2012 students continuing into 2013 and new enrolments. It is proposed that Massey's allocation is increased to 108 because of the level of its pilot training provision and based on demonstrated demand in the April 2012 SDR. However to ensure viable allocations for all TEOs, within the cap, it is not possible to allocate the requested 118 EFTS. Massey was ranked 2 nd in the application process for 2012 funding.

Edumis	Organisation Name	Proposed 2013 initial allocation	Proposed 2013 SAC funding allocation	Rationale for initial allocation
8595	Nelson Aviation College (NAC) Region: Nelson Air New Zealand Flight Training Organisation	42	\$469,459.20	NAC is subcontracted by NMIT in 2012 and was allocated 47 EFTS for continuing students and a portion of 8 EFTS for new students. Data from NMIT shows that 8 new EFTS have been enrolled for 2012. NAC is the only funded TEO north of Christchurch in the South Island. NAC also caters to the Wellington region as no pilot training currently exists there. NAC's previous levels of enrolments through NMIT indicate that NAC has capacity for the number of EFTS allocated. NAC ranked 4 th in the application process for 2012 funding. NAC was rated (May 2012) as Highly Confident in Educational Performance and Confident in Self-Assessment by NZQA in its EER. NAC is also the only funded TEO in the South Island that delivers helicopter pilot training (as well as fixed-wing pilot training).
7540	Flight Training Manawatu (FTM) Region: Fielding, Manawatu-Wanganui	14	\$156,486.40	FTM is sub-contracted by NMIT in 2012 and was allocated 9.5 EFTS for continuing students and a portion of 8 EFTS for new students. NMIT data shows that no new EFTS have been provided to FTM. This has been due to a management of EFTS by NMIT. Based on the current allocation through NMIT and to ensure a viable allocation it is proposed that 14 EFTS are allocated for 2013. FTM ranked 5 th in the application process for 2012 funding. FTM will also be able to cater to the Wellington region.
7413	Waikato Aero Club (WAC) Region: Hamilton, Waikato	15	\$167,664.00	WAC is sub-contracted by NMIT in 2012 and was allocated 11.5 EFTS for continuing students and a portion of 8 EFTS for new students. Data from NMIT shows that 6.7 new EFTS have been enrolled for 2012. WAC has forecast that an allocation of 18 EFTS is required to cover 2012 students continuing into 2013 and new enrolments. WAC ranked 3 rd equal in the application process for 2012 funding. In addition, CTC is also located in Hamilton (at the same airfield). WAC was rated (June 2010) as Highly Confident in both Educational Performance and Self-Assessment by NZQA in its EER.
7994	Helicopter Flight Training (HFT) Region: Auckland	27	\$301,795.20	HFT is sub-contracted by Whitireia Polytechnic and was allocated 27 EFTS (18 continuing and 9 new EFTS) in 2012. HFT is based at Ardmore Airfield (Auckland) and is the only funded TEO in the North Island that delivers helicopter pilot training. HFT has forecast that an allocation of at least 27 EFTS is required to cover 2012 students continuing into 2013 and new enrolments. HFT ranked 6 th in the application process for 2012 funding.
	Unallocated EFTS	10	This will depend on the sub-sector to which these are allocated.	Due to the small number of EFTS sub-contracted to multiple PTEs by NMIT in 2013, it is recommended that 10 EFTS remain unallocated to manage any potential underestimation of the 2013 pipeline.
	Total	450	\$4,956,913.17	

Appendix 2 – Criteria used to assess applications for 2012 funding

Assessment process

Organisations must meet the following requirements in order to have their proposals assessed:

- be a tertiary education institution or registered private training establishment;
- meet all relevant Civil Aviation Authority requirements to deliver pilot training;
- deliver the industry-agreed New Zealand Diplomas in Aviation (if delivering at sub-degree level);
- deliver training that meets audited safety and competency standards (Part 141 of the Civil Aviation Authority rules or equivalent); and
- ensure students meet robust industry-agreed selection procedures (such as those being developed alongside the New Zealand Diploma of Aviation or equivalent).

Organisations will be required to outline their suitability to deliver government-funded pilot training and provide evidence where appropriate to support their proposal. Proposals will be assessed against the following:

- the process will be neutral with regard to provider type, with decisions based on the best value for money, including consortia arrangements that achieve this;
- past educational performance of incumbent providers and prospective providers (if the TEC holds this information) will be considered;
- prospective providers will need to demonstrate both educational quality, including industry linkages and student demand, and pathways to further education and/or employment;
- providers will have sustainable business models as evidenced through financial information provided; and
- the distribution of provision will also be considered.

Funding allocations for new students will not be based on previous years' allocations and will be made from a zero-base. Allocations for 2012 will include provision for continuing students at incumbent providers or alternative providers if deemed necessary.

Funding allocations for 2012, and future investment rounds, will be linked to industry demand (including splits between sub-degree and degree level, and fixed wing and rotary wing training).

Proposals will be assessed against how they meet any mandatory requirements and will also be assessed for their suitability to deliver government funded pilot training relative to other proposals received. Any information submitted as part of a proposal, as well as any information the TEC currently holds about the applicant organisation, will be used to make funding decisions for 2012 SAC funding for pilot training.

Due to likely decreased student demand, it is unlikely that all applicants will be successful in acquiring SAC funding for pilot training for 2012.

Appendix 3 – Recommended 2012 allocations presented at November 2011 Board meeting

Provider	2012 EFTS Continuing	2012 EFTS New	Total 2012
NMIT Subcontractors:			
Air New Plymouth	9.6887	0	9.6887
Ardmore Flying School	41.763	0	41.763
Bay Flight Aviation	28.9816	0	28.9816
Crew Training Centre	16.131	0	16.131
Mainland Aviation College	17.9363	0	17.9363
Garden City Helicopters	1.0166	0	1.0166
Helipro Paraparaumu	2.5119	0	2.5119
Helipro Christchurch	3.2617	0	3.2617
International Aviation Academy of NZ	32.9444	0	32.9444
Flight Training Manawatu#	9.5308		
Nelson Aviation College#	46.8974	7.8886	75.7648
Waikato Aero Club#	11.448		
NMIT Subtotal*	222.1114	7.8886	230
Independent Providers from NMIT from 2012:			
Ardmore Flying School	7.895	7.105	15
Crew Training Centre	N/A	5	5
International Aviation Academy of NZ	N/A	22	22
Mainland Aviation College	N/A	0	0
Independent Providers from NMIT from 2012-Subtotal	7.895	34.105	42
Whitireia Polytechnic Subcontractors:			
Kapiti Air Academy ⁷	18	0	27
Helicopter Flight Training ⁸		9	
Whitireia Subcontractors Subtotal	18	9	27
EIT/ Air Hawke's Bay ⁷	12.8283	12.1717	25
Massey University	59	45	104
Pacific Helicopter Training	N/A	0	0
SIT/Southern Wings ⁸	17.5	4.5	22
Wanaka Helicopters	N/A	0	0
Single site providers subtotal	89.3283	61.6717	151
Totals	337.3347	112.6653	450

* Note that it is expected that NMIT will be able to manage new students as part of the continuing EFTS allocation during 2012

Note that this new EFTS allocation is intended to be shared between the three providers subcontracted to NMIT

⁷Note that this 18 EFTS allocation is intended to be shared between the two providers subcontracted to Whitireia Polytechnic for continuing EFTS and just Helicopter Flight Training for new EFTS

⁷ In January 2012, Eastern Institute of Technology (EIT) agreed to transfer its allocation to Hawke's Bay and East Coast Aero Club with funding approved on 13 February 2012.

⁸ In August 2012 SIT transferred 7 EFTS to Southern Wings.

Appendix 4 – Original consultation feedback

Attached as hardcopies.

Out Of Scope

RELEASED UNDER THE
OFFICIAL INFORMATION ACT



Tertiary Education Commission
Te Amorangi Mātauranga Matua

File reference: A708598

15 August 2012

Richard Lyders
Kapiti Air Academy (Kapiti Districts Aero Club)
PO BOX 92
PARAPARAUMU 5254

Dear Richard

Pilot training funding approach for 2013 – sector consultation

The reduction of the EFTS cap for pilot training from 600 to 450 EFTS in 2012 required the Tertiary Education Commission (TEC) to allocate funding aimed at achieving an effective, high quality and stable network of provision, while providing funded organisations with a viable EFTS allocation. This has meant that fewer organisations have been funded than in previous years.

The TEC proposes to build on the goal of consolidating provision with current organisations and is therefore considering not conducting a contestable process for 2013 funding. Under the proposed approach the TEC will only fund organisations that currently receive funding for EFTS that enrolled in pilot training provision for the first time in 2012 and delivered this provision directly except in exceptional circumstances.

The TEC wants to promote future stability, from a funding perspective, in a sector that has recently been subject to change in a range of areas. An annual contestable process to allocate funding would create further complexity and funding instability for organisations, industry and students.

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Wellington Office

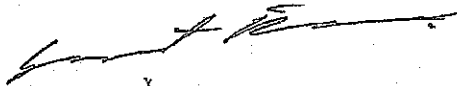
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www.tec.govt.nz

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Yours sincerely



Dr Grant Klinkum
General Manager – Tertiary Investment

RELEASED UNDER THE
OFFICIAL INFORMATION ACT



Tertiary Education Commission
Te Amorangi Matauranga Matua

File reference: A708604

15 August 2012

Gordon Malcolm and Richard Small
Waikato Aero Club
Steele Road
RD2
HAMILTON 3200

Dear Gordon and Richard

Pilot training funding approach for 2013 – sector consultation

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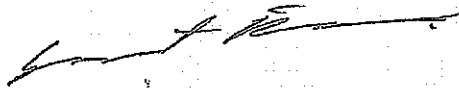
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Yours sincerely



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General Manager – Tertiary Investment

RELEASED UNDER THE
OFFICIAL INFORMATION ACT



Tertiary Education Commission
Te Amorangi Mātauranga Matua

File reference: A708603

15 August 2012

Bryan Jones
Manager
Southern Wings Limited
PO Box 1171
INVERCARGILL 9840

Dear Bryan

Pilot training funding approach for 2013 – sector consultation

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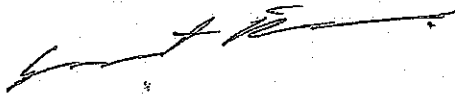
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Yours sincerely



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General Manager – Tertiary Investment

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OFFICIAL INFORMATION ACT



Tertiary Education Commission
Te Amorangi Mātauranga Matua

File reference: A708585

15 August 2012

Simon Duncan
General Manager
Garden City Helicopters Limited
PO BOX 14147
CHRISTCHURCH 8544

Dear Simon

Pilot training funding approach for 2013 – sector consultation

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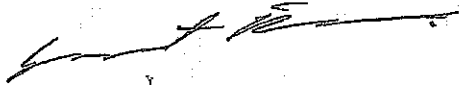
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Yours sincerely



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General Manager – Tertiary Investment

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Tertiary Education Commission
Te Amorangi Mātauranga Matua

File reference: A708590

15 August 2012

Michael Bryant
Manager
Flight Training Manawatu Limited
PO Box 328
FIELDING 4740

Dear Michael

Pilot training funding approach for 2013 – sector consultation

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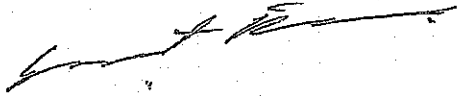
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General Manager – Tertiary Investment

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Tertiary Education Commission
Te Amorangi Mātauranga Matua

File reference: A708584

15 August 2012

Ian Calvert
Chief Executive Officer
CTC Aviation Training (NZ) Limited
131 Boyd Road
RD2
HAMILTON AIRPORT 3282

Dear Ian

Pilot training funding approach for 2013 – sector consultation

The reduction of the EFTS cap for pilot training from 600 to 450 EFTS in 2012 required the Tertiary Education Commission (TEC) to allocate funding aimed at achieving an effective, high quality and stable network of provision, while providing funded organisations with a viable EFTS allocation. This has meant that fewer organisations have been funded than in previous years.

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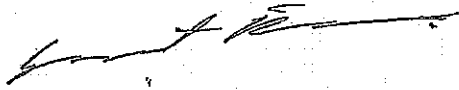
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Yours sincerely



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General Manager – Tertiary Investment

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File reference: A708605

15 August 2012

Carolyn Spencer Bower
Wanaka Helicopters Limited
PO Box 70
WANAKA 9343

Dear Carolyn

Pilot training funding approach for 2013 – sector consultation

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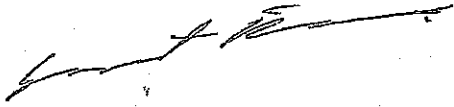
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Tertiary Education Commission
Te Amorangi Mātauranga Matua

File reference: A708599

15 August 2012

Mark Paterson
Chief Executive Officer
Mainland Aviation College
PO BOX 50
MOSGIEL 9053

Dear Mark

Pilot training funding approach for 2013 – sector consultation

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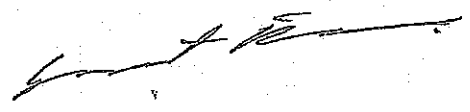
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Tertiary Education Commission
Te Amorangi Mātauranga Matua

File reference: A708595

15 August 2012

Phillip Maguire
Managing Director
Helicopter Flight Training Limited
140 de Havilland Lane
Ardmore Airfield
AUCKLAND 2105

Dear Phillip

Pilot training funding approach for 2013 – sector consultation

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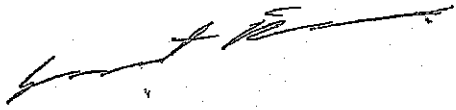
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General Manager – Tertiary Investment

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Tertiary Education Commission
Te Amorangi Mātauranga Matua

File reference: A708597

15 August 2012

Stephen O'Neil
Acting Chief Executive
International Aviation Academy of New Zealand Limited
PO Box 14006
CHRISTCHURCH 8544

Dear Stephen

Pilot training funding approach for 2013 – sector consultation

The reduction of the EFTS cap for pilot training from 600 to 450 EFTS in 2012 required the Tertiary Education Commission (TEC) to allocate funding aimed at achieving an effective, high quality and stable network of provision, while providing funded organisations with a viable EFTS allocation. This has meant that fewer organisations have been funded than in previous years.

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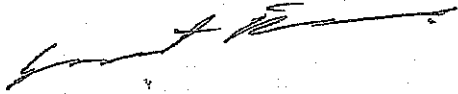
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General Manager – Tertiary Investment

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Tertiary Education Commission
Te Amorangi Mātauranga Matua

File reference: A708593

15 August 2012

Kevin England
Chief Executive Officer
Hawke's Bay and East Coast Aero Club
PO Box 2199
HASTINGS 4153

Dear Kevin

Pilot training funding approach for 2013 – sector consultation

The reduction of the EFTS cap for pilot training from 600 to 450 EFTS in 2012 required the Tertiary Education Commission (TEC) to allocate funding aimed at achieving an effective, high quality and stable network of provision, while providing funded organisations with a viable EFTS allocation. This has meant that fewer organisations have been funded than in previous years.

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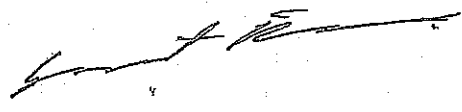
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General Manager – Tertiary Investment

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Tertiary Education Commission
Te Amorangi Mātauranga Matua

File reference: A708600

15 August 2012

Giles Witney
Chief Executive Officer
Nelson Aviation College Limited
PO Box 157
MOTUEKA 7143

Dear Giles

Pilot training funding approach for 2013 – sector consultation

The reduction of the EFTS cap for pilot training from 600 to 450 EFTS in 2012 required the Tertiary Education Commission (TEC) to allocate funding aimed at achieving an effective, high quality and stable network of provision, while providing funded organisations with a viable EFTS allocation. This has meant that fewer organisations have been funded than in previous years.

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Wellington 6141
New Zealand

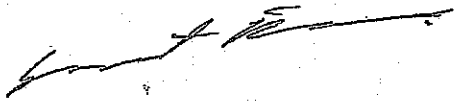
Phone +64-4-462 5200
Fax +64-4-462 5400
www.tec.govt.nz

The TEC would like your organisation's feedback on this proposed approach. Please submit this feedback by **29 August 2012**. Organisations will be notified of the approach two weeks after the submission date. You can submit your feedback to the TEC's Wellington Office. **Withheld under s9(2)(a)** .nz) or send it to

If you have any questions regarding the matters in this letter, please contact

Withheld under s9(2)(a)

Yours sincerely



Dr Grant Klinkum
General Manager – Tertiary Investment

RELEASED UNDER THE
OFFICIAL INFORMATION ACT



Tertiary Education Commission
Te Amorangi Mātauranga Matua

File reference: A708576

15 August 2012

Mike Newman
General Manager
Ardmore Flying School Limited
PO BOX 72744
Papakura
AUCKLAND 2244

Dear Mike

Pilot training funding approach for 2013 – sector consultation

The reduction of the EFTS cap for pilot training from 600 to 450 EFTS in 2012 required the Tertiary Education Commission (TEC) to allocate funding aimed at achieving an effective, high quality and stable network of provision, while providing funded organisations with a viable EFTS allocation. This has meant that fewer organisations have been funded than in previous years.

The TEC proposes to build on the goal of consolidating provision with current organisations and is therefore considering not conducting a contestable process for 2013 funding. Under the proposed approach the TEC will only fund organisations that currently receive funding for EFTS that enrolled in pilot training provision for the first time in 2012 and delivered this provision directly except in exceptional circumstances.

The TEC wants to promote future stability, from a funding perspective, in a sector that has recently been subject to change in a range of areas. An annual contestable process to allocate funding would create further complexity and funding instability for organisations, industry and students.

Organisations not allocated funding for EFTS enrolled for the first time in 2012 may still be teaching students that enrolled prior to 2012. The TEC will continue to fund these students until they complete.

Wellington Office

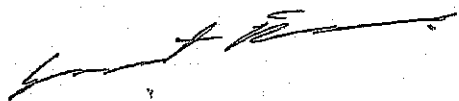
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If you have any questions regarding the matters in this letter, please contact ~~withheld under s9(2)(a)~~

Yours sincerely



Dr Grant Klinkum
General Manager – Tertiary Investment

RELEASED UNDER THE
OFFICIAL INFORMATION ACT



Tertiary Education Commission
Te Amorangi Matauranga Matua

File reference: A708596

15 August 2012

John Read
Helipro Aviation Training Limited t/a Helipro
PO Box 7004
PALMERSTON NORTH 4443

Dear John

Pilot training funding approach for 2013 – sector consultation

The reduction of the EFTS cap for pilot training from 600 to 450 EFTS in 2012 required the Tertiary Education Commission (TEC) to allocate funding aimed at achieving an effective, high quality and stable network of provision, while providing funded organisations with a viable EFTS allocation. This has meant that fewer organisations have been funded than in previous years.

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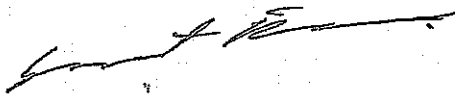
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If you have any questions regarding the matters in this letter, please contact .

Withheld under s9(2)(a)

Yours sincerely



Dr Grant Klinkum
General Manager – Tertiary Investment

RELEASED UNDER THE
OFFICIAL INFORMATION ACT



Tertiary Education Commission
Te Amorangi Mātauranga Matua

File reference: A708602

15 August 2012

Francis Kuriger
Chief Executive Officer
Air New Plymouth
192G Airport Drive
RD3
NEW PLYMOUTH 4373

Dear Francis

Pilot training funding approach for 2013 – sector consultation

The reduction of the EFTS cap for pilot training from 600 to 450 EFTS in 2012 required the Tertiary Education Commission (TEC) to allocate funding aimed at achieving an effective, high quality and stable network of provision, while providing funded organisations with a viable EFTS allocation. This has meant that fewer organisations have been funded than in previous years.

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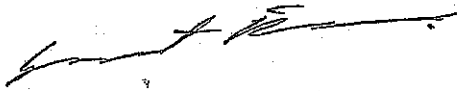
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If you have any questions regarding the matters in this letter, please contact

Withheld under s9(2)(a)

Yours sincerely



Dr Grant Klinkum
General Manager – Tertiary Investment

RELEASED UNDER THE
OFFICIAL INFORMATION ACT



Tertiary Education Commission
Te Amorangi Mātauranga Matua

15 October 2012

File reference: A720311 / 7826

Carolyn Spencer-Bower
Director
Wanaka Helicopters Ltd.
PO Box 70
WANAKA 9343

Dear Carolyn

Pilot training funding approach for 2013 – sector consultation outcome

Thank you for the feedback you submitted on the Tertiary Education Commission's (TEC's) proposed approach for 2013 Student Achievement Component (SAC) funding for pilot training. This letter notifies you of the outcome of the consultation process.

Submissions have been reviewed, and the majority of organisations supported the TEC's proposed approach. Having considered all feedback, the TEC has decided that in 2013 it will only fund organisations that were allocated funding for new equivalent full-time students (EFTS) in 2012, except in exceptional circumstances.

As your organisation did not receive a 2012 funding allocation for new EFTS in 2012, it has not been provided a 2013 funding allocation.

Through the consultation process the TEC received feedback relating to recent policy changes to pilot training provision, such as the EFTS cap and the fee limit on student loans. The TEC and the Ministry of Education will be actively monitoring 2013 enrolments in SAC-funded pilot training provision and the effect of the new policy settings.

Organisations not allocated funding for EFTS enrolled for the first time in 2012 may still be teaching students that enrolled prior to 2012. The TEC will continue to fund these students through Nelson Marlborough Institute of Technology in 2013.

Wellington Office

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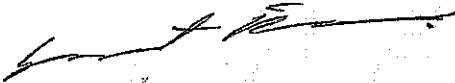
Phone +64-4-462 5200
Fax +64-4-462 5400
www.tec.govt.nz

Withheld under s9(2)(a)

If you have any questions regarding this letter, please contact
email at [redacted] Withheld under s9(2)(a)

by

Yours sincerely



Dr Grant Klinkum
General Manager – Tertiary Investment

RELEASED UNDER THE
OFFICIAL INFORMATION ACT



Tertiary Education Commission
Te Amōrangī Mātauranga Mātua

File reference: A719367 / 8279

10 October 2012

John Read
Business Manager
Helipro Aviation Training Limited t/a Helipro
PO Box 7004
PALMERSTON NORTH 4443

Dear John

Pilot training funding approach for 2013 – sector consultation outcome

Thank you for the feedback you submitted on the Tertiary Education Commission's (TEC's) proposed approach for 2013 Student Achievement Component (SAC) funding for pilot training. This letter notifies you of the outcome of the consultation process.

Submissions have been reviewed, and the majority of organisations supported the TEC's proposed approach. Having considered all feedback, the TEC has decided that in 2013 it will only fund organisations that were allocated funding for new equivalent full-time students (EFTS) in 2012, except in exceptional circumstances.

As your organisation did not receive a 2012 funding allocation for new EFTS in 2012, it has not been provided a 2013 funding allocation.

Through the consultation process the TEC received feedback relating to recent policy changes to pilot training provision, such as the EFTS cap and the fee limit on student loans. The TEC and the Ministry of Education will be actively monitoring 2013 enrolments in SAC-funded pilot training provision and the effect of the new policy settings.

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Wellington Office

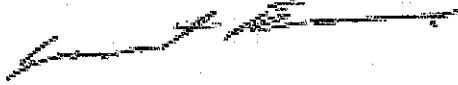
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New Zealand

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If you have any questions regarding this letter, please contact

on ~~Withheld under s9(2)(a)~~ or by phone

Yours sincerely



Dr Grant Klinkum
General Manager – Tertiary Investment

RELEASED UNDER THE
OFFICIAL INFORMATION ACT



File reference: A719368 / 8930

10 October 2012

Jan Green
New Plymouth Aero Club Incorporated t/a Air New Plymouth
192G Airport Drive
RD3
NEW PLYMOUTH 4373

Dear Jan

Pilot training funding approach for 2013 – sector consultation outcome

Thank you for the feedback you submitted on the Tertiary Education Commission's (TEC's) proposed approach for 2013 Student Achievement Component (SAC) funding for pilot training. This letter notifies you of the outcome of the consultation process.

Submissions have been reviewed, and the majority of organisations supported the TEC's proposed approach. Having considered all feedback, the TEC has decided that in 2013 it will only fund organisations that were allocated funding for new equivalent full-time students (EFTS) in 2012, except in exceptional circumstances.

As your organisation did not receive a 2012 funding allocation for new EFTS in 2012, it has not been provided a 2013 initial funding allocation. However, you have submitted a proposed 2013 Investment Plan (Plan) which will be considered as part of the TEC's Plan assessment process. Your Investment Plan is currently being assessed and the TEC will be in contact shortly.

Through the consultation process the TEC received feedback relating to recent policy changes to pilot training provision, such as the EFTS cap and the fee limit on student loans. The TEC and the Ministry of Education will be actively monitoring 2013 enrolments in SAC-funded pilot training provision and the effect of the new policy settings.

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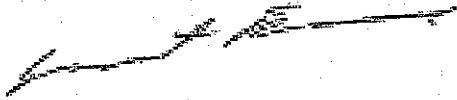
If you have any questions regarding this letter, please contact

Withheld under s9(2)(a)

or by phone

on

Yours sincerely



Dr Grant Klinkum
General Manager – Tertiary Investment

RELEASED UNDER THE
OFFICIAL INFORMATION ACT



File reference: A719370 / 7256

10 October 2012

Bryan Jones
Manager
Southern Wings Limited
PO Box 1171
INVERCARGILL 9840

Dear Bryan

Pilot training initial funding allocation for 2013

This letter notifies you of the outcome of the recent consultation process on the Tertiary Education Commission's (TEC's) funding approach for pilot training and sets out the TEC's initial 2013 allocation information for your organisation.

Consultation process on 2013 funding approach

You recently submitted feedback on the TEC's proposed approach for 2013 Student Achievement Component (SAC) funding for pilot training. Submissions have been reviewed, and the majority of organisations supported the TEC's proposed approach. Having considered all feedback, the TEC has decided that for 2013 it will only fund organisations that were allocated funding for new EFTS in 2012 and delivered pilot training directly, except in exceptional circumstances.

As your organisation received 2012 funding for EFTS that enrolled for the first time in 2012, it has been provided a 2013 initial funding allocation. Detail of the allocation and a description of how your initial allocation was determined is included in the appendix.

2013 Investment Plan submission

If you have a current Investment Plan (Plan) in place for 2012, it expires on 31 December 2012. To be funded in 2013 your organisation needs to submit a proposed Plan for 2013.

The Plan submission tool is accessed through the Online Investment Tool in Workspace. An Education Sector Authentication and Authorisation (ESAA) login is required to access Workspace. Information related to ESAA logins is available through our website in the [Resource centre](#) section.


The TEC will work with organisations funded directly for the first time in 2013 to prepare their Plan and complete the administrative processes required for Plan submission.

2013 Plan funding decisions

Funding decisions will be advised following the Plan review process later this year.

If you wish to discuss any aspect of this letter, please contact our Service Centre on 0800 601 301 or send an email to servicecentre@tec.govt.nz

Yours sincerely



Dr Grant Klinkum
General Manager, Tertiary Investment

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

APPENDIX

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Edumis: 7256

Southern Wings Limited

Plan funding

2013 Student Achievement Component (at NZQF Level 3 and above)

Student Achievement Component – pilot training	30 EFTS	\$335,328.00
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SAC allocation approach for pilot training

2013 SAC funding will be provided to organisations that currently receive 2012 funding for EFTS that enrolled in pilot training provision for the first time in 2012 and delivered this provision directly.

When determining 2013 allocations the TEC has considered 2012 allocations (direct and sub-contracted), forecast 2012 and 2013 enrolment information, and the pilot training cap of 450 EFTS. In most cases it has not been possible to allocate funding for a level of EFTS forecast by organisations for 2013. This is because the TEC has had to ensure funded organisations are provided a viable allocation within the 450 EFTS cap.

Out Of Scope



File reference: A719520 / 7413

10 October 2012

Richard Small
Chief Executive Officer
Waikato Aero Club
Steele Road
RD 2
HAMILTON 3200

Dear Richard

Pilot training initial funding allocation for 2013

This letter notifies you of the outcome of the recent consultation process on the Tertiary Education Commission's (TEC's) funding approach for pilot training and sets out the TEC's initial 2013 allocation information for your organisation.

Consultation process on 2013 funding approach

You recently submitted feedback on the TEC's proposed approach for 2013 Student Achievement Component (SAC) funding for pilot training. Submissions have been reviewed, and the majority of organisations supported the TEC's proposed approach. Having considered all feedback, the TEC has decided that for 2013 it will only fund organisations that were allocated funding for new EFTS in 2012 and delivered pilot training directly, except in exceptional circumstances.

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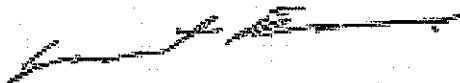
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2013 Plan funding decisions

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Yours sincerely



Dr Grant Klinkum
General Manager, Tertiary Investment

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

APPENDIX

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Edumis:7413

Waikato Aero Club

Plan funding

2013 Student Achievement Component (at NZQF Level 3 and above)

Student Achievement Component – pilot training	15 EFTS	\$167,664.00
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SAC allocation approach for pilot training

2013 SAC funding will be provided to organisations that currently receive 2012 funding for EFTS that enrolled in pilot training provision for the first time in 2012 and delivered this provision directly.

When determining 2013 allocations the TEC has considered 2012 allocations (direct and sub-contracted), forecast 2012 and 2013 enrolment information, and the pilot training cap of 450 EFTS. In most cases it has not been possible to allocate funding for a level of EFTS forecast by organisations for 2013. This is because the TEC has had to ensure funded organisations are provided a viable allocation within the 450 EFTS cap.

Out Of Scope



File reference: A719371 / 7540

10 October 2012

Michael Bryant
Manager
Flight Training Manawatu
PO Box 328
FIELDING 4740

Dear Michael

Pilot training initial funding allocation for 2013

This letter notifies you of the outcome of the recent consultation process on the Tertiary Education Commission's (TEC's) funding approach for pilot training and sets out the TEC's initial 2013 allocation information for your organisation.

Consultation process on 2013 funding approach

You recently submitted feedback on the TEC's proposed approach for 2013 Student Achievement Component (SAC) funding for pilot training. Submissions have been reviewed, and the majority of organisations supported the TEC's proposed approach. Having considered all feedback, the TEC has decided that for 2013 it will only fund organisations that were allocated funding for new EFTS in 2012 and delivered pilot training directly, except in exceptional circumstances.

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2013 Plan funding decisions

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Yours sincerely



Dr Grant Klinkum
General Manager, Tertiary Investment

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

APPENDIX

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GST will be added if applicable.

Edumis: 7540

Flight Training Manawatu

Plan funding

2013 Student Achievement Component (at NZQF Level 3 and above)

Student Achievement Component – pilot training	14 EFTS	\$156,486.40
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SAC allocation approach for pilot training

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Out Of Scope



File reference: A719521 / 7661

10 October 2012

Ian Calvert
Chief Executive Officer
CTC Aviation Training (NZ) Limited
Hamilton Airport
131 Boyd Road
RD 2
HAMILTON 3282

Dear Ian

Pilot training initial funding allocation for 2013

This letter notifies you of the outcome of the recent consultation process on the Tertiary Education Commission's (TEC's) funding approach for pilot training and sets out the TEC's initial 2013 allocation information for your organisation.

Consultation process on 2013 funding approach

You recently submitted feedback on the TEC's proposed approach for 2013 Student Achievement Component (SAC) funding for pilot training. Submissions have been reviewed, and the majority of organisations supported the TEC's proposed approach. Having considered all feedback, the TEC has decided that for 2013 it will only fund organisations that were allocated funding for new EFTS in 2012 and delivered pilot training directly, except in exceptional circumstances.

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2013 Investment Plan submission

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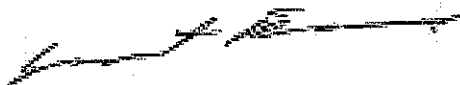
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2013 Plan funding decisions

Funding decisions will be advised following the Plan review process later this year.

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Yours sincerely



Dr Grant Klinkum
General Manager, Tertiary Investment

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OFFICIAL INFORMATION ACT

APPENDIX

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Edumis: 7661

CTC Aviation Training (NZ) Limited

Plan funding

2013 Student Achievement Component (at NZQF Level 3 and above)

Student Achievement Component – pilot training	40 EFTS	\$447,104.00
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SAC allocation approach for pilot training

2013 SAC funding will be provided to organisations that currently receive 2012 funding for EFTS that enrolled in pilot training provision for the first time in 2012 and delivered this provision directly.

When determining 2013 allocations the TEC has considered 2012 allocations (direct and sub-contracted), forecast 2012 and 2013 enrolment information, and the pilot training cap of 450 EFTS. In most cases it has not been possible to allocate funding for a level of EFTS forecast by organisations for 2013. This is because the TEC has had to ensure funded organisations are provided a viable allocation within the 450 EFTS cap.

Out Of Scope



Tertiary Education Commission
Te Amorangi Matauranga Matua

File reference: A719519 / 7994

10 October 2012

Phillip Maguire
Managing Director
Helicopter Flight Training Limited
140 de Havilland Lane
Ardmore Airfield
AUCKLAND 2105

Dear Phillip

Pilot training initial funding allocation for 2013

This letter notifies you of the outcome of the recent consultation process on the Tertiary Education Commission's (TEC's) funding approach for pilot training and sets out the TEC's initial 2013 allocation information for your organisation.

Consultation process on 2013 funding approach

You recently submitted feedback on the TEC's proposed approach for 2013 Student Achievement Component (SAC) funding for pilot training. Submissions have been reviewed, and the majority of organisations supported the TEC's proposed approach. Having considered all feedback, the TEC has decided that for 2013 it will only fund organisations that were allocated funding for new EFTS in 2012 and delivered pilot training directly, except in exceptional circumstances.

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2013 Investment Plan submission

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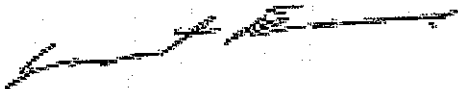
The TEC will work with organisations funded directly for the first time in 2013 to prepare their Plan and complete the administrative processes required for Plan submission.

2013 Plan funding decisions

Funding decisions will be advised following the Plan review process later this year.

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Yours sincerely



Dr Grant Klinkum
General Manager, Tertiary Investment

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OFFICIAL INFORMATION ACT

APPENDIX

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Edumis:7994
Helicopter Flight Training Limited
Plan funding

2013 Student Achievement Component (at NZQF Level 3 and above)

Student Achievement Component – pilot training	27 EFTS	\$301,795.20
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SAC allocation approach for pilot training

2013 SAC funding will be provided to organisations that currently receive 2012 funding for EFTS that enrolled in pilot training provision for the first time in 2012 and delivered this provision directly.

When determining 2013 allocations the TEC has considered 2012 allocations (direct and sub-contracted), forecast 2012 and 2013 enrolment information, and the pilot training cap of 450 EFTS. In most cases it has not been possible to allocate funding for a level of EFTS forecast by organisations for 2013. This is because the TEC has had to ensure funded organisations are provided a viable allocation within the 450 EFTS cap.

Out Of Scope



File reference: A719372 / 8589

10 October 2012

Stephen O'Neill
Chief Executive Officer (Interim)
International Aviation Academy of NZ Ltd.
PO Box 14006
CHRISTCHURCH 8544

Dear Stephen

Pilot training initial funding allocation for 2013

This letter notifies you of the outcome of the recent consultation process on the Tertiary Education Commission's (TEC's) funding approach for pilot training and sets out the TEC's initial 2013 allocation information for your organisation.

Consultation process on 2013 funding approach

You recently submitted feedback on the TEC's proposed approach for 2013 Student Achievement Component (SAC) funding for pilot training. Submissions have been reviewed, and the majority of organisations supported the TEC's proposed approach. Having considered all feedback, the TEC has decided that for 2013 it will only fund organisations that were allocated funding for new EFTS in 2012 and delivered pilot training directly, except in exceptional circumstances.

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2013 Investment Plan submission

If you have a current Investment Plan (Plan) in place for 2012, it expires on 31 December 2012. To be funded in 2013 your organisation needs to submit a proposed Plan for 2013.

The Plan submission tool is accessed through the Online Investment Tool in Workspace. An Education Sector Authentication and Authorisation (ESAA) login is required to access Workspace. Information related to ESAA logins is available through our website in the [Resource centre](#) section.

The TEC will work with organisations funded directly for the first time in 2013 to prepare their Plan and complete the administrative processes required for Plan submission.

2013 Plan funding decisions

Funding decisions will be advised following the Plan review process later this year.

If you wish to discuss any aspect of this letter, please contact our Service Centre on 0800 601 301 or send an email to servicecentre@tec.govt.nz

Yours sincerely



Dr Grant Klinkum
General Manager, Tertiary Investment

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

APPENDIX

Funding quoted in this appendix is initial allocation information only and is GST exclusive. GST will be added if applicable.

Edumis: 8589

International Aviation Academy of NZ Ltd.

Plan funding

2013 Student Achievement Component (at NZQF Level 3 and above)

Student Achievement Component – pilot training	40 EFTS	\$447,104.00
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SAC allocation approach for pilot training

2013 SAC funding will be provided to organisations that currently receive 2012 funding for EFTS that enrolled in pilot training provision for the first time in 2012 and delivered this provision directly.

When determining 2013 allocations the TEC has considered 2012 allocations (direct and sub-contracted), forecast 2012 and 2013 enrolment information, and the pilot training cap of 450 EFTS. In most cases it has not been possible to allocate funding for a level of EFTS forecast by organisations for 2013. This is because the TEC has had to ensure funded organisations are provided a viable allocation within the 450 EFTS cap.

Out Of Scope

result

n.



File reference: A719522 / 8594

10 October 2012

Kevin England
Chief Executive Officer
Hawkes Bay and East Coast Aero Club
PO Box 2199
HASTINGS 4153

Dear Kevin

Pilot training initial funding allocation for 2013

This letter notifies you of the outcome of the recent consultation process on the Tertiary Education Commission's (TEC's) funding approach for pilot training and sets out the TEC's initial 2013 allocation information for your organisation.

Consultation process on 2013 funding approach

You recently submitted feedback on the TEC's proposed approach for 2013 Student Achievement Component (SAC) funding for pilot training. Submissions have been reviewed, and the majority of organisations supported the TEC's proposed approach. Having considered all feedback, the TEC has decided that for 2013 it will only fund organisations that were allocated funding for new EFTS in 2012 and delivered pilot training directly, except in exceptional circumstances.

As your organisation received 2012 funding for EFTS that enrolled for the first time in 2012, it has been provided a 2013 initial funding allocation. Detail of the allocation and a description of how your initial allocation was determined is included in the appendix.

2013 Investment Plan submission

If you have a current Investment Plan (Plan) in place for 2012, it expires on 31 December 2012. To be funded in 2013 your organisation needs to submit a proposed Plan for 2013.

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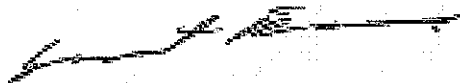
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Yours sincerely



Dr Grant Klinkum
General Manager, Tertiary Investment

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APPENDIX

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Edumis:8594

Hawkes Bay and East Coast Aero Club

Plan funding

2013 Student Achievement Component (at NZQF Level 3 and above)

Student Achievement Component – pilot training	38 EFTS	\$424,748.80
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SAC allocation approach for pilot training

2013 SAC funding will be provided to organisations that currently receive 2012 funding for EFTS that enrolled in pilot training provision for the first time in 2012 and delivered this provision directly.

When determining 2013 allocations the TEC has considered 2012 allocations (direct and sub-contracted), forecast 2012 and 2013 enrolment information, and the pilot training cap of 450 EFTS. In most cases it has not been possible to allocate funding for a level of EFTS forecast by organisations for 2013. This is because the TEC has had to ensure funded organisations are provided a viable allocation within the 450 EFTS cap.

Out Of Scope

More information is available on our website in the [Performance-linked funding](#) section.

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OFFICIAL INFORMATION ACT



10 October 2012

Giles Witney
Chief Executive Officer
Nelson Aviation College Limited
PO Box 157
MOTUEKA 7143

Dear Giles

Pilot training initial funding allocation for 2013

This letter notifies you of the outcome of the recent consultation process on the Tertiary Education Commission's (TEC's) funding approach for pilot training and sets out the TEC's initial 2013 allocation information for your organisation.

Consultation process on 2013 funding approach

You recently submitted feedback on the TEC's proposed approach for 2013 Student Achievement Component (SAC) funding for pilot training. Submissions have been reviewed, and the majority of organisations supported the TEC's proposed approach. Having considered all feedback, the TEC has decided that for 2013 it will only fund organisations that were allocated funding for new EFTS in 2012 and delivered pilot training directly, except in exceptional circumstances.

As your organisation received 2012 funding for EFTS that enrolled for the first time in 2012, it has been provided a 2013 initial funding allocation. Detail of the allocation and a description of how your initial allocation was determined is included in the appendix.

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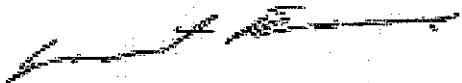
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If you wish to discuss any aspect of this letter, please contact our Service Centre on 0800 601 301 or send an email to servicecentre@tec.govt.nz

Yours sincerely



Dr Grant Klinkum
General Manager, Tertiary Investment

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OFFICIAL INFORMATION ACT

APPENDIX

Funding quoted in this appendix is initial allocation information only and is GST exclusive.
GST will be added if applicable.

Edumis: 8595

Nelson Aviation College Ltd

Plan funding

2013 Student Achievement Component (at NZQF Level 3 and above)

Student Achievement Component – pilot training	42 EFTS	\$469,459.20
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SAC allocation approach for pilot training

2013 SAC funding will be provided to organisations that currently receive 2012 funding for EFTS that enrolled in pilot training provision for the first time in 2012 and delivered this provision directly.

When determining 2013 allocations the TEC has considered 2012 allocations (direct and sub-contracted), forecast 2012 and 2013 enrolment information, and the pilot training cap of 450 EFTS. In most cases it has not been possible to allocate funding for a level of EFTS forecast by organisations for 2013. This is because the TEC has had to ensure funded organisations are provided a viable allocation within the 450 EFTS cap.

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Out Of Scope



File reference: A719523 / 8638

10 October 2012

Mike Newman
General Manager
Ardmore Flying School
PO Box 72744
Papakura
AUCKLAND 2244

Dear Mike

Pilot training initial funding allocation for 2013

This letter notifies you of the outcome of the recent consultation process on the Tertiary Education Commission's (TEC's) funding approach for pilot training and sets out the TEC's initial 2013 allocation information for your organisation.

Consultation process on 2013 funding approach

You recently submitted feedback on the TEC's proposed approach for 2013 Student Achievement Component (SAC) funding for pilot training. Submissions have been reviewed, and the majority of organisations supported the TEC's proposed approach. Having considered all feedback, the TEC has decided that for 2013 it will only fund organisations that were allocated funding for new EFTS in 2012 and delivered pilot training directly, except in exceptional circumstances.

As your organisation received 2012 funding for EFTS that enrolled for the first time in 2012, it has been provided a 2013 initial funding allocation. Detail of the allocation and a description of how your initial allocation was determined is included in the appendix.

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The TEC will work with organisations funded directly for the first time in 2013 to prepare their Plan and complete the administrative processes required for Plan submission.

2013 Plan funding decisions

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If you wish to discuss any aspect of this letter, please contact our Service Centre on 0800 601 301 or send an email to servicecentre@tec.govt.nz

Yours sincerely



Dr Grant Klinkum
General Manager, Tertiary Investment

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OFFICIAL INFORMATION ACT

APPENDIX

Funding quoted in this appendix is initial allocation information only and is GST exclusive. GST will be added if applicable.

Edumis:8638
Ardmore Flying School
Plan funding

2013 Student Achievement Component (at NZQF Level 3 and above)

Student Achievement Component – pilot training	50 EFTS	\$558,880.00
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SAC allocation approach for pilot training

2013 SAC funding will be provided to organisations that currently receive 2012 funding for EFTS that enrolled in pilot training provision for the first time in 2012 and delivered this provision directly.

When determining 2013 allocations the TEC has considered 2012 allocations (direct and sub-contracted), forecast 2012 and 2013 enrolment information, and the pilot training cap of 450 EFTS. In most cases it has not been possible to allocate funding for a level of EFTS forecast by organisations for 2013. This is because the TEC has had to ensure funded organisations are provided a viable allocation within the 450 EFTS cap.

Out Of Scope

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Memorandum

To: Grant Klinkum, General Manager – Tertiary Investment
From: Bob Carson, Chief Advisor – PTE and CE Investment, on behalf of the PTE
 Plan Fund Panel
Date: 10 October 2012
Subject: Recommendation for proposed Investment Plan for Mainland Aviation
 College (7934) – Seeking approval

Purpose

1. This memorandum seeks your approval to the recommendation for Mainland Aviation College's (7934) proposed Investment Plan (Plan) for 2013.

Background

2. Cabinet agreed a series of changes to pilot training based on the outcome of a Government review for pilot training provision. The most relevant for the TEC was the reduction of the pilot training equivalent full-time student (EFTS) cap from 600 to 450 from 2012 [CAB Min (11) 37/32].
3. The reduction in the EFTS cap reduced associated Student Achievement Component (SAC) funding available for allocation by the TEC in 2012. A contestable process was conducted in August 2011 to implement the reduction in the EFTS cap. The process also aimed to allocate funding in a way that would reduce sub-contracting, with the intention to eventually remove it entirely, and ensure purchase of high-quality pilot training provision¹.
4. Applications were received from 21 tertiary education organisations (TEOs) and assessed against criteria aligned to the Investment Plan assessment criteria. Allocations considered the distribution of students that were enrolled prior to 2012 that required funding to complete study and students enrolling for the first time in 2012.
5. Mainland Aviation College (MAC) applied for 2012 funding through this contestable process. However, it was unsuccessful in receiving an allocation for new EFTS. MAC was allocated funding through Nelson Marlborough Institute of Technology as its sub-contractor for approximately 18 EFTS. These EFTS were required to enable students enrolled prior to 2012 to complete their study.
6. For 2013 pilot training SAC funding, the TEC has decided not to conduct a contestable process but to allocate funding to TEOs that received funding for EFTS that enrolled in

¹ This included fixed wing (plane) and rotary wing (helicopter) pilot training.

pilot training for the first time in 2012. The TEC notified TEOs of their initial allocations on 10 October 2012.

Mainland Aviation College's proposed Plan

7. Although MAC was not provided an initial funding allocation for 2013 (allocations for 2013 were not yet finalised), it submitted a proposed Plan by the submission deadline of 5 September 2012. A copy of MAC's proposed Plan is included in Appendix 1.
8. Under section 159YA of the Education Act 1989 (the Act) the TEC must assess a proposed Plan against the criteria prescribed for assessment to determine whether a proposed Plan will receive funding. The criteria used to assess proposed Plans are contained in the gazette notice, *Education (proposed Investment Plans: Requirements, Content, Submission and Assessment) Notice*² and are prescribed under section 159Y of the Act.
9. The TEC Board of Commissioners has delegated authority to you as General Manager, Tertiary Investment, to make funding decisions for proposed 2013 Plans for PTEs, Schools, Rural Education Activities Programmes (REAPs) and Community Education Providers (CEPs). This delegated authority excludes the 15 largest funded PTEs.
10. MAC's Plan assessment is outlined below. A copy of the Plan assessment is also attached in Appendix 2.

Plan assessment

Background

11. MAC is situated at Dunedin Airport and delivers pilot training provision to approximately 40 full time students each year. It states that approximately half are self-funded international students and that until the end of 2011 it received funding for approximately 20 EFTS from Nelson Marlborough Institute of Technology (NMIT), as part of NMIT's flight training network. MAC currently delivers a Level 5 New Zealand Diploma in Aviation (General Aviation).
12. MAC has applied for 20 – 30 EFTS in its proposed Plan. This translates to \$223,552 - \$333,528 in SAC funding.
13. The main focus of MAC's proposed Plan is the structured employment pathway that it offers its graduates to enable them to gather flying hours required for further employment, in particular with larger airlines. In addition, it states that it structures its qualification in a way that removes extraneous material and also includes additional material from the Level 6 Diplomas in Aviation.

Stakeholder needs, consultation and response

14. MAC has not clearly identified its key stakeholders in its proposed Plan and has not provided rationale to describe its relationship with each stakeholder. While MAC has identified some of the needs of some of its stakeholders, it has not clearly identified the specific needs of each. In addition, no evidence or information has been provided to

² Published 23 March 2012 in the New Zealand Gazette.

noted.

demonstrate how MAC has identified the needs of its key stakeholders and its learners, in particular Tertiary Education Strategy 2010-2015 (TES) priority learner groups. The proposed Plan does not include evidence to demonstrate industry need for MAC's graduates. MAC does not demonstrate how it has consulted with stakeholders or used statistical, demographic or labour demand information to support its statements.

15. MAC's main focus for responding to the needs of its stakeholders is the design of its programme leading to the Level 5 Diploma in Aviation. MAC states that it has structured the programme in a way that has removed any extraneous material and reduced the cost to the learner. It states that this programme better meets employer demand however no evidence is provided to demonstrate the consultation undertaken to determine this.

16. MAC states that it offers its graduates roles in its charter and air ambulance services to build flying hours which MAC states make graduates more employable. Employment data provided by MAC indicates that 7 of 86 graduates from 2005 have been employed by MAC as instructors or pilots. The data is not clear whether graduates employed at other organisations were previously employed at MAC.

17. MAC does not explicitly refer to the TES or how it will respond to the priorities identified in the TES. MAC does state that it will aim to increase Māori and Pasifika participation and states that it currently has a written commitment that 15% of enrolments must be Māori and/or Pasifika. No evidence is provided to support this. No detailed information or evidence is provided to indicate how MAC will increase Māori and Pasifika participation and performance.

18. There is little information and no evidence to demonstrate how MAC's programmes and activities respond to the needs of its stakeholders and TES priorities.

Programmes and activities

19. MAC's most recent EER (January 2012) shows that NZQA is confident in both MAC's educational performance and capability in self-assessment. The number of EFTS requested in the proposed Plan is achievable as MAC is currently funded at a similar level (through NMIT). Based on the information and lack of evidence in the proposed Plan, it is expected that some of the outcomes specified will not be achievable. In particular, there is concern that MAC will not achieve its outcome for increasing Māori and Pasifika participation and there is no information regarding processes and strategies to increase educational performance, given the high performance commitments set by MAC.

20. MAC has not provided any information or evidence regarding the regional and/or national need for its specific type of provision. It refers to a general pilot shortage for the national airline (Air New Zealand). No further information or evidence is provided to support this statement. There are currently two directly funded providers in neighbouring regions delivering pilot training, Southern Wings in Southland and International Aviation Academy NZ in Canterbury.

Performance and commitments

21. MAC has set performance commitments which are relevant to its provision type, its

so aligned
to TES
but no
specifics
on how
targets
will
be
met.

objectives and the outcomes sought. The commitments are not supported by rationale and in most cases no metric has been provided. Therefore, it is not clear what some of the commitments will exactly measure and for what purpose.

22. The TEC does not have a record of MAC's past performance as it has not been directly funded by the TEC. While some student achievement data has been provided regarding course completions, in an effort to demonstrate previous performance, it is simplistic and not clear. There is also no performance comparison between years.

23. In its proposed Plan, MAC has committed to 80% successful course completion and 100% qualification completions. Based on course completion data submitted with the proposed Plan, commitments set for course completions may be achievable. However, there is concern that the qualification completion rate of 100% set is unachievable, particularly when the proposed Plan indicates that many students tend to leave the qualification prior to completing because they achieved their pilot licence prior to the end of the qualification. MAC does indicate it may review the structure of delivery to ensure students remain on the qualification until completion.

24. No achievement commitments are set for TES priority learners. A participation commitment of 15% for Maori and Pasifika learners is set however data provided does not breakdown participation and achievement by ethnicity and therefore it is not possible to accurately determine whether the commitments related to priority learners groups are currently being met or achievable. No commitments have been set for under 25 year olds. It would be appropriate if commitments were set for these learners as they make up the majority of learners in pilot training.

25. Based on the information and evidence submitted in the proposed Plan it is difficult to ascertain whether past performance across all EPIs is satisfactory.

Conclusion

26. After applying the assessment criteria to MAC's proposed Plan it is recommended that the TEC not fund any of the tertiary programmes and activities described in the proposed Plan under section 159YA (2)(c).

Next steps

27. If the recommendation in this memorandum is approved MAC will be notified of the proposed decision and given a reasonable opportunity to be heard as required under section 159YA (3).

³ This information is for the 2010 and 2011 academic years and relates to courses. The completion rate calculated by the TEC based on this data is approximately 78%.

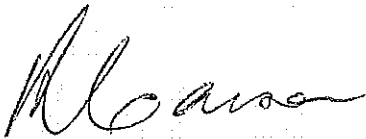
Recommendations

28. It is recommended that you:

28.1. **propose to decline** to fund the programmes and activities described in Mainland Aviation College's (7934) proposed 2013 Investment Plan;

Agree / Not agree

28.2. **note** that Mainland Aviation College will be notified of the proposed decision and will be provided an opportunity to be heard on the proposed decision.



Bob Carson

Chief Advisor – PTE and CE Investment
On behalf of the PTE Plan Fund Panel

- Ken Eastwood, Chief Advisor – ITO Investment
- John Whaanga, Acting Chief Advisor – Wananga Investment

Date:

10/10/12



Grant Klinkum

General Manager – Tertiary Investment

Date:

10/10/12

Appendix 1 – Mainland Aviation College’s Proposed Investment Plan

Appendix 2 – Mainland Aviation College Proposed Plan Assessment

Out Of Scope

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

Withheld under s9(2)(a)

From: Ken Eastwood
Sent: Wednesday, 10 October 2012 1:05 p.m.
To: **Withheld under s9(2)(a)** John Whaanga
Cc: Bob Carson
Subject: RE: PTE Panel - Plan Funding Recommendation to General Manager - Mainland Aviation College (7934)

Hi **Withheld under s9(2)(a)**

I have discussed this with Bob and agree with the recommendation to decline this Plan

Ken

Withheld under s9(2)(a)

From:
Sent: Wednesday, 10 October 2012 11:10 a.m.
To: John Whaanga; Ken Eastwood
Cc: Bob Carson
Subject: PTE Panel - Plan Funding Recommendation to General Manager - Mainland Aviation College (7934)
Importance: High

Hello Ken and John,

The Investment Plan assessment for Mainland Aviation College (7934) and associated memorandum to the Acting General Manager (as delegated authority) is attached. Also attached is Mainland's Investment Plan.

After applying the assessment criteria, it is recommended that funding for the programmes and activities in the proposed Plan is declined.

As members of the PTE Plan Fund Panel, could you please review the attached documentation and provide your agreement to the recommendation or any comments you may have please?

If you agree with the recommendation, a Panel recommendation will be made to the Acting General Manager – Tertiary Investment as delegated authority.

Please let Bob or I know if you have any questions.

Kind regards

Withheld under s9(2)(a)

Tertiary Investment Directorate
Tertiary Education Commission Te Anorangi Mātauranga Mātua

Withheld under s9(2)(a)

Please subscribe to the TEC website [RSS feeds](#) for website updates.

This email is only intended to be read by the named recipient. It may contain information which is confidential, proprietary or the subject of legal privilege. If you are not the intended recipient you must delete this email and may not use any information contained in it. Legal privilege is not waived because you have read this email.

Withheld under s9(2)(a)

From: John Whaanga
Sent: Wednesday, 10 October 2012 11:09 p.m.
To: Withheld under s9(2)(a); Ken Eastwood
Cc: Bob Carson
Subject: RE: PTE Panel - Plan Funding Recommendation to General Manager - Mainland Aviation College (7934)
Importance: High

Kia ora **Withheld under s9(2)(a)**

I have reviewed the material and discussed with Bob. I am happy to support recommendation to decline the proposed plan.

Hei te wa

John

Withheld under s9(2)(a)
From: **Withheld under s9(2)(a)**
Sent: Wednesday, 10 October 2012 11:10 a.m.
To: John Whaanga; Ken Eastwood
Cc: Bob Carson
Subject: PTE Panel - Plan Funding Recommendation to General Manager - Mainland Aviation College (7934)
Importance: High

Hello Ken and John,

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As members of the PTE Plan Fund Panel, could you please review the attached documentation and provide your agreement to the recommendation or any comments you may have please?

If you agree with the recommendation, a Panel recommendation will be made to the Acting General Manager – Tertiary Investment as delegated authority.

Please let Bob or I know if you have any questions.

Kind regards

Withheld under s9(2)(a)

Tertiary Investment Directorate
Tertiary Education Commission Te Amorangi Mātauranga Matua

Withheld under s9(2)(a)

Please subscribe to the TEC website [RSS feeds](#) for website updates.



Memorandum

To: Grant Klinkum, General Manager, Tertiary Investment
From: PTE Plan and Fund Approval Panel
Date: 22 November 2012
Subject: 2013 PTE Plan funding recommendations: seeking approval

Purpose

1. This memo seeks your approval of the Investment Plan (Plan) funding recommendations appended to this paper. The funding approval period sought is one year - from 1 January 2013 until 31 December 2013.
2. Appendix one details the 2013 funding information for providers whose funding approval expires on 31 December 2012. These providers have submitted a new proposed Plan for funding consideration.

Background

3. You have delegated authority to make funding decisions for proposed 2013 Plans for private training establishments (PTEs), schools, rural education activities programmes (REAPs), and community education providers (CEPs). This authority excludes the 15 largest funded PTEs, where approval by the TEC Board of Commissioners (the Board) is required.
4. The Board has already approved 2013 funding for the 15 largest funded PTEs and one PTE of significance (Media Design School) at its 5 November meeting (refer A712554).

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Out Of Scope

Pages 2-7

Out Of Scope

Next steps

44. Once the final decisions regarding funding approval are made, decisions will be communicated through the "Confirmation of 2013 Investment Plan funding" letter.

Out Of Scope

Recommendations

46. This memo recommends you:

- a. **note** recommendations in this paper have been agreed and endorsed by us, as the PTE Plan Fund Approval Panel, and are put to you for consideration on our behalf;

~~Out Of Scope~~

Out Of Scope

- e. **approve** funding in full for the programmes and activities described in the Plans, for the remaining 299 tertiary education organisations for 2013 (included in Appendix 1), for the period 1 January until 31 December 2013;

Approved / Not approved

Out Of Scope

Bob Carson
 Chief Advisor, PTE and Community Investment
 On behalf of the PTE Plan and Fund Approval Panel

Panel
 Bob Carson
 Esther Galley
 John Whaanga

Grant Klinkum
 General Manager, Tertiary Investment

Date:

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Out of Scope

Edunis	Organisation	SAC L1-2	SAC L3+	PBRF	YG	FTTO	LN	LN ESOL	ALEG	WPL	WPL Employee	AGE in Community	ACE in School	Refugee English	EF	Gateway	Grand Total
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Out of Scope

added Out of Scope

7256	Southern Wings Limited		335,328														335,328
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Edumis	Organisation	SAC 1.1-2	SAC 1.3+	PBRF	YG	FTO	LN	LNESOL	AEG	WPL	WPL Employee	ACE in Community	ACE in School	Refugee English	EF	Gateway	Grand Total
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Out of Scope

Out of Scope

7681	CTC Aviation Training (NZ) Limited		447,104														447,104
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Out of Scope

Edmunds	Organisation	SAC L1-2	SAC L3+	PERF	YG	FTO	LN	LN ESOL	A EG	WPL	WPL Employee	ACE in Community	ACE in School	Refugee English	EF	Gateway	Grand Total
Plans included in a separate paper for approval by the General Manager, Tertiary Investment																	
7940	Hawk Eiplanises Ltd		156,486														156,486
8638	Avonore Flying School Limited		556,890														556,890
7994	Helicopter Flight Training Limited		301,795														301,795
8589	International Aviation Academy of NZ Ltd		447,104														447,104
8595	Nelson Aviation College Limited		469,459														469,459
7413	Waikato Aero Club (Inc)		167,664														167,664
Sub-total			\$2,101,398		\$0												\$2,101,398

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Out of Scope



File reference: A739507

Memorandum

To: Grant Klinkum, General Manager – Tertiary Investment
From: Bob Carson, Chief Advisor – PTE and CE Investment, on behalf of the PTE Plan Fund Panel
Date: 3 December 2012
Subject: Recommendation for proposed Investment Plan for Air New Plymouth (8930) and International Aviation Academy NZ (8589) and final funding decision for Mainland Aviation College (7934) – Seeking approval

Purpose

1. This memorandum seeks your:
 - 1.1. approval to the recommendations for Air New Plymouth's (8930) and International Aviation Academy of NZ's (8589) proposed Investment Plans (Plans) for 2013; and
 - 1.2. final funding decision for Mainland Aviation College's (7934) proposed Plan after the assessment of additional information submitted to TEC, in response to the proposed decline decision.

Background

2. International Aviation Academy of NZ (IAANZ), Air New Plymouth (ANP) and Mainland Aviation College (MAC) applied for Student Achievement Component (SAC) funding for pilot training in 2012, through a contestable funding round¹.
3. MAC and ANP were unsuccessful in receiving an allocation for new EFTS and were allocated funding through Nelson Marlborough Institute of Technology (NMIT), as their sub-contractor, for approximately 10 and 17 EFTS respectively. These EFTS were required to enable students enrolled prior to 2012 to complete their study.
4. IAANZ was successful in receiving 2012 SAC funding directly for 22 EFTS and also received approximately 33 EFTS through NMIT to enable students enrolled prior to 2012 to complete their study.
5. For 2013, TEC allocated funding only to organisations that received funding for EFTS that enrolled in pilot training for the first time in 2012. TEC notified organisations of their initial allocations on 10 October 2012.

¹ This was required due to the reduction of the pilot training EFTS cap from 600 to 450 agreed by Cabinet [CAB Min (11) 37/32].

6. Both ANP and MAC were not given an initial allocation for 2013, however, submitted proposed Plans to TEC.
7. MAC's proposed Plan was assessed and a recommendation made to you as Delegated Authority to propose to decline funding for the Plan. You agreed this recommendation on 10 October 2012 (refer to A720863) and MAC was notified of the proposed decision. In accordance with section 159YA(3) of the Education Act 1989, MAC had the opportunity to respond to TEC's proposed decision. MAC submitted additional information and evidence to TEC.
8. IAANZ was provided an initial allocation of \$447,104 (GST exclusive) for 40 EFTS and has also requested additional funding through its proposed 2013 Plan.
9. The proposed Plans for IAANZ, ANP and the additional information submitted by MAC have been assessed and are outlined in this memorandum.

Air New Plymouth's proposed Plan and assessment

10. ANP was not initially allocated funding for 2013, yet it submitted a proposed Plan by the submission deadline of 5 September 2012. A copy of ANP's proposed Plan is included in Appendix 1.
11. Under section 159YA of the Education Act 1989 (the Act), TEC must assess a proposed Plan against the criteria prescribed for assessment to determine whether a proposed Plan will receive funding. The criteria used to assess proposed Plans are prescribed in the gazette notice, *Education (proposed Investment Plans: Requirements, Content, Submission and Assessment) Notice*² in accordance with section 159Y of the Act.
12. The TEC Board of Commissioners has delegated authority to you as General Manager, Tertiary Investment, to make funding decisions for proposed 2013 Plans for PTEs, Schools, Rural Education Activities Programmes (REAPs) and Community Education Providers (CEPs). This delegated authority excludes the 15 largest funded PTEs.
13. ANP's Plan assessment is outlined below. A copy of the Plan Review is also attached in Appendix 2, and has been considered by PTE Plan Fund Panel.

Background

14. ANP operates from the New Plymouth Airport. It offers pilot training qualifications and was previously funded for approximately 17 EFTS, as part of NMIT's pilot training network (ANP has never been directly funded by TEC).
15. ANP is currently sub-contracted by NMIT for approximately 10 EFTS, for continuing students (previously enrolled prior to 2012). ANP does not currently have approval or accreditation to deliver either of the New Zealand Diplomas in Aviation (Level 5 or 6) but states its application with NZQA is in process.
16. ANP has applied for 20 EFTS in its proposed Plan, which equates to \$223,552 (GST exclusive) in SAC funding.

Stakeholder needs, consultation and response

17. ANP has not clearly identified all key stakeholders in its proposed Plan or identified the needs of the stakeholders it has referenced. In addition, no evidence or information has

² Published 23 March 2012 in the New Zealand Gazette.

been provided to demonstrate how ANP has identified or meets the needs of its key stakeholders and its learners, in particular Tertiary Education Strategy 2010-2015 (TES) priority learner groups. The proposed Plan does not include evidence to demonstrate industry need for ANP's graduates except to say that it contributes to the Taranaki region through a range of aviation related activities and refers to an identified pilot shortage (ATTTO report, May 2012).

18. ANP has provided some data outlining its employment outcomes during the period from 2002-2011. This data states that 69% of students went onto employment in the aviation industry with the remainder, either transferring to another provider, not finding employment in the aviation industry or not completing their qualification.
19. ANP states that it makes a significant contribution to a range of aviation activities in the Taranaki region. It further states that these activities keep ANP instructors up to date with aviation industry operational requirements. It is not clear whether these activities also constitute an employment outcome.
20. While ANP refers to TES priority learners, it does not state how it will respond to the priorities identified in the TES. ANP only states that approximately 95% of its learners are under 25 years of age and that while it does not specifically target Māori and Pasifika learners, it encourages applications from them. No detailed information or evidence is provided to indicate how ANP will increase Māori and Pasifika participation and performance.
21. ANP has not successfully demonstrated how it has consulted with stakeholders or used statistical, demographic or labour demand information to support its statements.

Programmes and activities

22. ANP's most recent EER (March 2012) shows that NZQA is confident in both ANP's educational performance and capability in self-assessment. The number of EFTS requested in the proposed Plan is achievable as ANP has previously been funded at a similar level (through NMIT). However, there is insufficient information and evidence that shows how ANP will achieve its outcomes for TES priority groups and increasing the educational performance of its learners.
23. ANP has not provided clear information or evidence about the regional or national need for its graduates. There are currently three PTEs in neighbouring regions funded to deliver pilot training in 2013. These PTEs are Flight Training Manawatu (Manawatu region), CTC Aviation and Waikato Aero Club (Waikato region).

Performance and commitments

24. ANP has set some performance commitments which are relevant to its provision type, yet do not include any performance commitments for Māori and Pasifika learners.
25. TEC does not have a record of ANP's past performance because it has not been directly funded by the TEC. While some student achievement data has been provided regarding course completions, this data is not clear. There is also no performance comparison between years.
26. In its proposed Plan, ANP has committed to an 85% successful qualification completion rate. Based on course completion data submitted with the proposed Plan and the fact that ANP is not yet approved for the New Zealand Diplomas in Aviation, it is unlikely that this commitment will be achievable.

Conclusion

27. ANP's proposed Plan did not satisfactorily address the following seven of the nine assessment criteria, listed with rationale in Appendix 2.
28. It is recommended that TEC not fund any of the tertiary programmes and activities described in the proposed Plan under section 159YA (2)(c).

Mainland Aviation College's additional information assessment

29. TEC proposed to decline Mainland for funding in 2013 because its proposed Plan failed to address a number of criteria and after assessing the Plan, TEC considered that MAC had not made a case to be treated as an exception to the funding approach for pilot training. These are included in Appendix 3.
30. MAC provided additional information in response to TEC's proposed decline decision (attached in Appendix 4). This information has been assessed and summarised below (assessment attached in Appendix 5).

Stakeholder needs, consultation and response

31. In its proposed Plan, MAC had not clearly identified its stakeholders or how it had identified their needs. The additional information lists its stakeholders. It also provides labour market data³ for the broad industry of transport and storage (of which aviation is a part of) in Otago. Transport and storage is the tenth largest industry in the Otago region and has shown growth in the number of jobs from 2000-2010. The data is not detailed enough to determine the specific growth of pilot training in the region.
32. MAC has also referenced information from the Careers NZ website regarding pilot shortages and recent increases in the number of pilots. The information on the website is referenced from industry, industry associations and the Department of Labour.
33. MAC identifies stakeholder needs through the following processes:
 - 33.1. industry engagement surveys – used to determine the requirements of local industry (An Industry Engagement Survey template has been included in appendix four, yet there is no evidence that this survey is currently being used); and
 - 33.2. close relationships and mentoring systems with students.

Programmes and activities

34. MAC's proposed Plan did not provide sufficient information or evidence to indicate how its programmes had been developed to respond to its stakeholders. MAC submitted some additional information about how its programmes meet stakeholder needs. This information focuses on students, including TES priority learners and pathways to employment. This is detailed in the Plan assessment, attached in Appendix 4 (page 4).
35. MAC has also provided additional information about its strategy and recruitment to increase the participation of Māori and Pasifika students in pilot training, and the support it provides all students through mentoring. Data has been provided in the additional information which demonstrates that in 2011, 21% of students identified as Māori (up from 14% in 2010). In 2010, 7% of students identified as Pasifika which decreased to 0% in 2011.

³ Based on Infometrics data supplied on TEC's website.

36. MAC has provided some information about the regional need for aviation training. For example, it has identified the needs of the Otago and Southland District Health Boards through the air ambulance service.

37. MAC states that it contributes to the Otago region's economic development and Dunedin City Council's Draft Economic Strategy through the operation of its tourism charter flight business, which also employs graduates. MAC also states that it provides trained pilots to the South Island in general aviation employment, and lists a number of companies with which it has placement and internship agreements.

38. For 2013, approximately 25% (112) of the available pilot training EFTS have been initially allocated to the South Island, compared with approximately 24% of New Zealand's population that live in the South Island. Therefore, based on the current initial allocations the level of funding directed South Island is broadly reflective of the population.

Performance and commitments

39. MAC has provided educational performance data since 2009, at the student and organisational level. This data shows an increase in all performance from 2009 to 2011, with the exception of a dip in successful course completions in 2012. MAC's educational performance data is outlined in the table below.

Table 1 - MAC's reported educational performance data (2009 - 2011)

EPI's - All Students	2009	2010	2011	2011/2012 (pipeline students)
Course Completion	84%	75%	100%	95%
Qualification completion	15%	20%	50%	50%
Retention	76%	85%	90%	95%
Progression	15%	10%	15%	15%

Note: This data is based on individual students and is not EFTS weighted. The results reported above would be broadly in line with TED's EFTS weighted EPIs.

40. MAC has set performance commitments against the four educational performance indicators (course and qualification completion, retention and progression) and TES priority learners groups (refer to Table 2). However, it has not provided participation commitments for priority groups.

41. The revised performance commitments submitted in the additional information have been compared to MAC's previous educational performance. The commitments show a reasonable and achievable stretch based on past performance, with one exception. The qualification commitment sets an increase of 30 percentage points in 2013 compared with 2011 (from 50% to 80%). This is a significant stretch, and may be unachievable given students tend to leave the qualification once they have gained their pilots licence. The direct delivery by MAC and the structure of the programme should enable MAC to have more control of its qualification completions.

Table 2 - MAC's reported educational performance data and 2013 commitments

EPI's - All Students	2009	2010	2011	2011/2012 (pipeline students)	2013 Commitment
Course Completion	84%	75%	100%	95%	90%
Qualification completion	15%	20%	50%	50%	80%
Retention	76%	85%	90%	95%	95%
Progression	15%	10%	15%	15%	20%

⁴ Source: Statistics New Zealand

Conclusion

42. After assessment of the additional information provided by MAC it is recommended that MAC's proposed decline decision be confirmed, and that MAC be declined for funding for 2013. MAC has not made a case to be treated as an exception to the funding approach for pilot training, and has not satisfactorily addressed the following assessment criteria:

Specific assessment criterion	Rationale
How the TEO has ascertained the needs of its key stakeholders, including through consultation and the use of statistical information about regional or national demographics and labour market demand.	The additional information does not demonstrate how Mainland has identified the needs of its stakeholders, in particular the aviation industry. Mainland has submitted some information to indicate that it will seek industry feedback in the future, there is no evidence that it has or is currently consulting with industry. The statistical information provided is not detailed enough to determine the specific growth of pilot training in the Otago region.
Whether the TEO's proposed performance commitments (i.e. the targets set) are appropriate and achievable, and whether they represent a meaningful improvement on past performance against the objectives of the Tertiary Education Strategy 2010-2015, especially with respect to outcomes for priority learner groups.	The additional information does not provide participation commitments for Tertiary Education Strategy (2010 – 2015) priority learners.

International Aviation Academy of NZ proposed Plan

43. IAANZ was initially allocated 40 EFTS (\$447,104) for 2013. IAANZ has requested additional EFTS in its proposed Plan (Appendix 6). It states that the initial allocation will not be sufficient to cover its 2012 EFTS continuing into 2013, while allowing new EFTS in 2013.
44. During the 2013 initial allocation process for pilot training, IAANZ stated it would require 75 EFTS in 2013. TEC did not allocate this many EFTS because of the number of organisations to be allocated the 450 available EFTS.

Plan assessment

Background

45. IAANZ's Plan assessment is included in Appendix 7. IAANZ is a pilot training organisation based at Christchurch International Airport delivering fixed-wing aviation qualifications to international and domestic students. It is approved to offer the New Zealand Diploma in Aviation at Level 5 and 6.
46. IAANZ received funding directly from TEC for the first time in 2012 (22 EFTS at \$200,090) and prior to 2012, IAANZ was subcontracted by NMIT as part of its flight training network. It is also subcontracted in 2012 by NMIT for approximately 33 EFTS for continuing students.

Stakeholder needs, consultation and response

47. IAANZ has accurately and clearly identified its stakeholders and its relationship with them. It has identified the needs of its stakeholders through regular, formal and informal consultation. For example, it engages with domestic industry and employers such as Air New Zealand regularly. This enables IAANZ to review its training, safety and quality management, and airline procedures through Air New Zealand's audit process as a preferred partner. It also provides a forum to meet and discuss processes and procedures (educational and quality focused) with other pilot training organisations.

IAANZ is also an active member of the Flight Training Division of the Aviation Industry Association.

48. IAANZ engages with Ngai Tahu and other organisations such as schools, Community Boards and Council to target and increase the participation of TES priority learner groups. IAANZ actively screens students at the point of enrolment to ensure they are capable of participating and completing the qualifications. Enrolment screening also helps IAANZ to determine if students require any additional support during their study.
49. After enrolment, students are closely monitored to ensure they are progressing at the appropriate rate. Where students are not showing satisfactory progress, pastoral care and remedial training can be provided. As an Air New Zealand partner IAANZ students also participate in the Airline Integration Course delivered by the Air New Zealand Aviation Institute, which provides students studying towards the Airline preparation qualification, exposure and training in an airline environment delivered by experienced and qualified Air New Zealand training personnel.
50. IAANZ has ensured that it has appropriate and modern equipment for the level and complexity of flight training. This includes modern aircraft, computer hardware and software in lectures and briefing rooms, tracking devices for tracking manoeuvres and flight routes, flight scheduling systems similar to airline systems.
51. IAANZ markets its programmes extensively overseas to increase its number of international students and has a large number of international enrolments. In addition, IAANZ is actively seeking partner opportunities with overseas airlines and states it has secured a training contract with an airline for the 2012 and 2013 financial year. This aligns strongly to the Government's priorities and objectives for international education.

Programmes and activities

52. IAANZ has just completed its first RER in October 2012 with the results due soon. In its September 2008 audit IAANZ met all but three requirements of Quality Assurance Standard One. The three requirements not met related to the elements of governance and management, learner information, and entry and support.
53. While the initial allocation of 40 EFTS provided to IAANZ is deliverable, it has requested additional EFTS in its proposed Plan as it states it has the capability and facilities to accommodate additional EFTS. It has provided data of previous delivery levels through NMIT and of international students to demonstrate its ability to deliver at these levels. Based on this information it is expected that if an increase is considered and approved, IAANZ would have sufficient capacity to deliver to increased numbers.
54. IAANZ has included its strategic plan for 2012-2014 in the proposed Plan. This demonstrates specific objectives it has for its programmes and activities, and its business as a whole. The strategic plan indicates the status of these objectives with some complete. There are no known risks.

Performance and commitments

55. IAANZ was funded directly by TEC in 2012 and has been meeting the requirements to report in the SDR. Full year performance data will be available in February 2013. However, IAANZ was selected for funding in 2012 through the contestable application round for pilot training which demonstrated IAANZ's educational performance.
56. Based on the August 2012 SDR data, approximately 7% and 4% of IAANZ's enrolled EFTS identified as Maori and Pasifika respectively. This compares to the Canterbury

regions demographic levels of 7% and 2% for Maori and Pasifika (Census data, 2006). This data does not include any enrolments between August and December 2012 and may be subject to change. The participation commitments for Maori and Pasifika show increase over the 2013-2015 period. IAANZ has stated that a significant number of students are under 25 years old. It has also provided commitments that show steady increase during the 2013-2015 period.

57. IAANZ has set educational performance commitments that show steady increase to 2015 of 80% and 85% for course and qualification completions respectively. These commitments are realistic and show a movement towards the current completion rate medians for PTEs.

Conclusion

58. After applying the assessment criteria to IAANZ's proposed Plan it is recommended that the TEC fund all of the tertiary programmes and activities described in the proposed Plan (at the level of its initial allocation, \$447,104) for 2013 under section 159YA (2)(c).
59. It is also recommended that IAANZ is allocated an additional 10 EFTS worth of funding to increase its total allocation to 50 EFTS at a total of \$558,880 (GST exclusive). The availability of this funding is discussed below.

Available additional funding

60. As part of the allocation approach for pilot training (A720863) 10 EFTS of the 450 EFTS cap was left unallocated to manage any potential underestimation of the 2013 pipeline from NMIT. This occurred with NMIT stating that its forecast for 2013 did not include new 2012 enrolments (totalling approximately 31 EFTS). However, these EFTS will be managed by the individual organisations that they were subcontracted with.

61. This means that the 10 EFTS are still available for allocation.

Ardmore enrolment issues

62. Ardmore Flying School (Ardmore) has alerted TEC that in 2012 it has enrolled a number of unfunded students who have accessed student loans and have not been reported in the Single Data Return. Ardmore was allocated funding for 50 EFTS in 2013 prior to the extent of the issue being known.

63. Ardmore has provided TEC with student data that demonstrates that it will over-deliver on its 2012 allocation however be within its 2013 allocation. Ardmore's proposed Plan is still being assessed and it has requested additional funding.

64. Recommendations for Ardmore will be presented to you in the next week. While it may be prudent to retain the available 10 EFTS as a contingency for Ardmore, based on the information provided it does not appear that any continuing students will be affected. The data also indicates that Ardmore will have sufficient EFTS to complete all continuing students therefore it is recommended that the 10 EFTS are allocated to IAANZ.

Next steps

65. If the recommendations in this memorandum are approved, the PTEs will be notified of decisions. ANP will be given a reasonable opportunity to respond as required under section 159YA (3).

Recommendations

66. It is recommended that you:

66.1. **propose to decline** to fund the programmes and activities described in Air New Plymouth's (8930) proposed 2013 Investment Plan;

Agree / Not agree

66.2. **note** that Air New Plymouth will be notified of the proposed decision and will be provided an opportunity to be heard in response to the proposed decision;

66.3. **confirm your proposed decision to decline to fund** the programmes and activities described in Mainland Aviation College's (7934) proposed 2013 Investment Plan;

Agree / Not agree

66.4. **approve to fund in part** the programmes and activities described in International Aviation Academy of NZ's (8589) proposed Investment Plan at \$447,104 for 40 EFTS for 2013;

Agree / Not agree

66.5. **choose one of the following options:**

- **approve** additional funding of \$111,776 for 10 EFTS for International Aviation Academy of NZ (8589) for 2013;

Agree / Not agree

OR

- **retain** the 10 EFTS worth of SAC funding available for pilot training as contingency; and

Agree / Not agree

66.6. **note** that if additional funding for International Aviation Academy of NZ is approved, all 450 EFTS available for pilot training will be allocated for 2013.


Bob Carson

Chief Advisor – PTE and CE Investment
On behalf of the PTE Plan Fund Panel:

- Esther Calley, Group Manager – Service Centre
- John Whaanga, Acting Chief Advisor – Wananga Investment

Date: 10/12/12


Grant Klinkum

General Manager – Tertiary Investment

Date: 11/12/12

Appendix 1 & 2

Out Of Scope

RELEASED UNDER THE
OFFICIAL INFORMATION ACT