MINISTRY OF EDUCATION
TE TĀHUHU O TE MĀTAURANGA

Tertiary Education Commission
Te Amorangi Mātauranga Matua

Education Report: Updated UFS modelling

To:	Hon Chris Hipkins, Minister of Education		
Date:	12November 2021	**Priority:**	High
Security Level:	In Confidence	**METIS No:**	1276629
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Messaging seen by Communications team:	No	**Round Robin:**	Yes

Purpose of report

This paper seeks your feedback on options for unified funding system (UFS) rates in light of your recent decisions on programme development funding [METIS 1275119 refers].

Summary

You recently agreed to establish a programme development fund within the UFS. We identified two feasible options to achieve this which give you choices about how strong you would like the incentives for this to be. These are:

- Option 1: a moderate programme development fund of around $28 million (3% of UFS funding) which reduces extramural rates from 80-95% to 70% of provider-based rates (retaining subject differentials). This option also reduces other funding category rates by about 1% compared to the scenario you previously approved (scenario B).

- Option 2 (***recommended***): a larger programme development fund of around $37 million (4% of UFS funding), with a flat rate for extramural delivery (programme development funding would provide for cost differentials). This option also reduces provider-based rates by around 1% and work-based rates by around 4% compared to scenario B.

We recommend option 2, the larger programme development fund, which would have a bigger impact and create stronger incentives. We think this would best support innovation and responsiveness to national and regional skills requirements.

Both options would fund extramural provision through a programme development component and a lower per-learner rate. The fund would be available to Te Pūkenga, wānanga and private training establishments (PTEs). The impacts of the options are similar at the sub-sector level, with small increases in funding (compared to scenario B) for Te Pūkenga, wānanga and PTEs. There is a small shift to a lower (but still high) allocation to delivery currently with transitional industry training organisations (ITOs).

Impacts are more significant at a provider level. The differences are most pronounced for providers focused on extramural delivery. Option 2, which represents a larger break from current funding approaches (because of the flat, subject-neutral approach), has a greater

impact on providers offering extramural programmes at higher provider-based rates currently. This option presumes that the cost of extramural delivery is flat and that cost differentials are built into the programme development phase. This increases the funding changes that Te Pūkenga will need to manage across its network of existing subsidiaries. It also reduces funding to eight PTEs by more than 40%.

The UFS will be implemented from 2023, however, we recommend a differentiated transition approach across the sector. In light of the modest impacts on tertiary education institutions (TEIs), we suggest that there is no transition approach for the UFS for TEIs in 2023. The impacts on PTEs are more distributed, with some experiencing large decreases. We will do more work on options for PTE transitions, and report back alongside advice on the design of the programme development fund.

Recommendations

The Ministry of Education and the Tertiary Education Commission recommend that you:

a. **agree** that the programme development fund is available to Te Pūkenga, wānanga and PTEs

Agree / Disagree

b. **agree** that officials will work with wānanga to design how this fund is allocated to them

Agree / Disagree

c. **indicate** your preferred option establishing a programme development fund within the UFS, with the corresponding effect on UFS funding rates:

I prefer option 2.2 in the supp info provided.

Option 1	A moderate programme development fund of around $28 million (3% of UFS funding), with extramural volume-based funding reduced to 70% of provider-based rates	**Yes / No**
Option 2 (***recommended***)	A larger programme development fund of around $37 million (4% of UFS funding), with extramural volume-based funding paid at a flat rate of $4,500 per full-time equivalent learner	**Yes / No**

d. **agree** to fully implement the UFS for TEIs in 2023

Agree / Disagree

e. **agree** that aviation and priority engineering rates will remain at the 'F3' provider-based rate, which is at 70% and 75% respectively of current Student Achievement Component rates

Agree / Disagree

I'd like to see more info on the potential funding decreases for aviation before making this call. What will it mean for ongoing provision?

f. **agree** to proactively release this education report within 30 days of Cabinet decisions being made, with any redactions in line with the provisions of the Official Information Act 1982.

Agree / Disagree

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Te Puna Kaupapahere
Ministry of Education

12/11/2021

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Hon Chris Hipkins
Minister of Education

__/__/____

Background

1. On 1 November, you agreed to establish a programme development fund within the UFS [METIS 1275119 refers], at around 3% to 4% of total UFS investment.

2. This paper sets out options for adjusting UFS funding rates to include a programme development fund.

3. A draft Cabinet paper on the UFS will be provided to you on 11 November for your feedback ahead of Ministerial consultation, with the paper due to be considered by Cabinet in December.

4. Further work is underway on advice about how the programme development fund could operate, and about the operation of an applications-based process for a transition away from public funding for 'international' apprentices and trainees. We will provide advice to you on these matters by the end of November. This timing allows you to be confident that these additional matters are fully addressed before Cabinet considers the UFS.

Addition of a programme development fund

5. We have modelled creating a programme development fund that comprises 3% to 4% of UFS funding ($28 million to $37 million).

6. Currently 500 to 600 new programmes are developed per year, of which 25 to 35 are extramural programmes. We expect fewer new programmes will be developed in future, as Te Pūkenga consolidates its programme development, and Workforce Development Councils (WDCs) seek to improve consistency through their programme endorsement role.

7. If the number of new programmes halves, a $37 million fund would pay roughly $100,000 to $150,000 per programme, although we would allocate considerably more to extramural programmes (which is manageable because they are a small portion of all new programmes).

8. We will provide more advice on the mechanism for allocating the programme development fund. In designing this, we will consider how programme development funding and per learner funding add to an appropriate total amount of revenue per programme.

Options are compared to Scenario B from previous modelling paper

9. In October, you provided feedback on *Phase One modelling of the Unified Funding System* [METIS 1272025 refers], and approved scenario B, which creates moderate incentives for change. This paper discusses how new options for a programme development fund would modify scenario B, as well as how funding would compare to 2021 funding allocations.

10. The key parameters of scenario B are set out below. More detail is in Annex 2.[1]

[1] Note that, as discussed in previous advice, total UFS investment ($925 million) includes unfunded volumes to make it comparable to the high levels in 2021. This is to ensure the rates per full-time equivalent learner (FTEL) are correct.

Table 1: Key parameters for scenario B: Moderate incentives

	Learner success	Funding categories	Strategic component
Funding	8%, ~$74m	88%, ~$814m	4%, ~$37m
Rates	$1,367 / FTEL for learners with low prior achievement and disabled learners	• Extramural funding is aligned to work-based rates • Work-based rates are 80-95% of provider-based rates • Provider-based rates are about 85% of Student Achievement Component (SAC) rates (subject relativities are maintained) • Work-based rates are closer to provider-based rates (40-90% increase on average Industry Training Fund (ITF) rates)	Te Pūkenga: $26m PTE fund: $11m

Creating a programme development fund in the UFS

11. We explored three ways of reducing ‘scenario B’ funding rates to release funding for programme development.

12. A significant part of the funding should come from **reducing the extramural rates**. We need to lower the per-FTEL rates so that they create coherent incentives alongside higher per-programme rates.

13. However, some of the programme development funding will be allocated to other modes – in the past two years about 5% of new programmes were extramural delivery. Our two options reduce volume-based extramural funding by roughly $20 million, from $86 million in scenario B.

14. We think the remaining funding should come through **slight reductions in all funding category rates**, balanced across all categories. This retains the relativities across the UFS and minimises the additional impact on all providers.

15. We also **considered reducing learner component funding rates**, but this has limited effect on the distribution of funding and reduces investment in a priority area. Therefore, we have not included this in our options.

Subsectors included in the programme development fund

16. Both options we considered include a dedicated fund for wānanga. The options allocate 60% for Te Pūkenga, 10% for wānanga and 30% for PTEs. This creates a proportionate share of the fund relative to overall UFS funding (based on current allocations).

17. We have excluded funding for te reo and tikanga Māori from this percentage split as these funding rates have been left at current levels while the review of te reo Māori funding is ongoing. 9(2)(f)(iv) [redacted]

9(2)(f)(iv) [redacted]

[redacted]

Option 1: A moderate programme development fund at 3% of UFS funding with extramural funding rates remaining subject-linked

19. This option provides a relatively modest shift in funding (compared to scenario B) by setting aside $28 million for programme development funding. It sets extramural funding rates at 70% of provider-based rates, with all other rates lowered by 1-2%. The key parameters of this option are shown below, and Annex 2 provides more detail.

Table 2: Key parameters for option 1: Modest shift

	Learner component	Funding category component	Strategic component + programme development
Funding	8%, ~$74m	85%, ~$786m	7%, ~$65m
Rates	$1,367 / FTEL for learners with low prior achievement and disabled learners	• Extramural rates set at 70% of provider-based rates, which is around 60% of their current SAC rates • Work-based rates are 80-95% of provider-based rates • Provider-based rates are about 82-85% of SAC rates • Work-based rates are 40-90% above average ITF rates	Te Pūkenga: ~$43m Wānanga ~$3m PTE fund: ~$19m
Change from scenario B	No change	• Extramural rates are 70-85% of rates in scenario B • All other rates drop by 1-2%	Programme fund ~$28m: Te Pūkenga: ~$17m PTEs: ~$8m Wānanga: ~$3m

20. Annex 3 sets out sector- and provider-level impacts.

21. The impacts on individual TEIs are small. Te Pūkenga (excluding its Work-based Learning subsidiary) experiences a small funding decrease, but this would be more than offset by the increases for their work-based provision. However, their existing provider-based subsidiaries (especially those with significant extramural provision) would receive much lower volume-based funding. All three wānanga see a slight increase in funding compared to 2021. University funding through the UFS decreases

significantly (between a 6% and 30% reduction), but this is a very small proportion of their total funding for tertiary education.

22. Individual PTEs experience more change. Of the 152 PTEs funded through the UFS, funding would reduce by over 20% for 35 of them (up from 18 under scenario B). This does not include allocations from the strategic component and programme development fund. An important mitigation will be to make this funding available to PTEs early in the investment process, so they can develop their offerings in light of their total revenue. We will provide more on this, and the transition for PTEs, in our next advice on the design of the programme development funding mechanism.

Option 2: A larger programme development fund at 4% of UFS funding with a flat rate for extramural delivery (recommended)

23. Option 1 makes a big step towards treating extramural funding differently, by setting aside $37 million for programme development funding. However, extramural rates are set at 70% of provider-based rates, which continues to link funding to classroom-based cost structures.

24. A more fundamental shift would be to move to a flat rate per FTEL for extramural delivery, relying on programme development funding to reflect differences in the cost structures of different subject areas.

25. This scenario adjusts provider-based rates slightly and takes a little more from work-based learning rates, to create a programme development fund at 4% of UFS funding.

26. This option presumes that the cost of extramural delivery is flat and that cost differentials are built into the programme development phase. Based on this assumption, this option appears to better support the direction discussed in our previous advice [METIS 1275119 refers], providing a sharper move away from the cost structures underpinning face-to-face delivery.

Table 3: Key parameters for option 2: A bigger change

	Learner component	Funding category component	Strategic component + programme development
Funding	8%, ~$74m	84%, ~$777m	8%, ~$74m
Rates	$1,367 / FTEL for learners with low prior achievement and disabled learners	• Extramural rates set at $4,500 per FTEL, which is 40-70% of their current SAC rates • Work-based rates are 78-93% of provider-based rates • Provider-based rates are about 82-85% of SAC rates • Work-based rates are 40-85% above average ITF rates	Te Pūkenga: ~$48m Wānanga: ~$4m PTE fund: ~$22m
Change from scenario B	No change	• Extramural rates are 55-85% of rates in scenario B • Other rates decrease slightly – 1% for provider-based, and around 4% for work-based rates	Additional funding: Te Pūkenga: ~$22m Wānanga: ~$4m PTEs: $~11m

27. Annex 3 sets out sector- and provider-level impacts.

28. At the subsector level, the effects of the two options are similar. However, option 2 has bigger impacts on extramural provision in what are currently higher funded cost categories.

29. The impacts on TEIs are similar to option 1, with slightly greater decreases for providers focussed on extramural provision. It particularly affects providers offering extramural at higher funding rates.

30. The total number of PTEs experiencing a funding decrease is similar, although the range is wider, with funding for eight PTEs decreasing by more than 40%. The design work and mitigations would be the same as for option 1.

Impacts of a shift to UFS funding rates and proposed transition approaches

31. The two options discussed above modify scenario B. We previously advised that we would provide you with transition advice on this scenario. Having assessed the impacts of these two options and having found that they have similar effects on total revenue to providers, we recommend a differentiated transition approach for the sector. The impacts below refer to the effects if volumes in 2023 are the same as in 2021.

32. **Te Pūkenga** will be well positioned, in light of the inclusion of provision for apprentices and trainees. However, they will have considerable shifts within their network of provision (ie, they will need to manage significant per learner funding decreases in the existing provider-based mode including for extramural provision). Officials will need to work closely with Te Pūkenga to support them to align their operating model with the shifts sought in the UFS, including managing communication to regional subsidiaries on how the overall UFS changes will support their regions.

33. As a proportion of their total revenue, **universities** will experience very small funding decreases. Universities have already raised concerns about the viability of their “foundation” programme provision (sub-degree) and the differential funding of their sub-degree extramural funding versus degree-level extramural. We believe that universities can manage a shift in funding for this provision within their overall allocations. Universities will need to make decisions about the relative benefits of continuing provision where they sustain funding cuts.

34. Universities have also expressed concern that their foundation programmes serve many Māori and Pacific learners and that these learners may be disadvantaged by this change. We believe that the overall benefits of attracting these learners will mean that universities will continue to support their access to university study (although they may adapt the learner pathways).

35. **Wānanga** revenue will increase slightly relative to 2021 – primarily because te reo and tikanga Māori provision is still being kept at the current level for both provider-based and extramural provision (as an interim step pending the te reo Māori funding review). Those wānanga involved in vocational education will experience a further increase from the programme development fund.

36. For **PTEs**, about 140 of the 152 PTEs receiving UFS funding experience a decrease in their funding for UFS provision. This is in part due to the programme development fund and strategic component allocations, which amount to around 12% of their funding under the UFS. This will shift the impacts on PTEs considerably, creating variable distribution which has the potential to significantly change year to year allocations. It

will be important to design the allocation processes for these funds as part of a transition process that provides clarity to PTEs about their total revenue, so they can plan for it alongside their volume-based funding.

Aviation and priority engineering

37. We also want to check the funding levels for aviation and priority engineering with you. These rates would change more than other SAC categories: whilst the provider-based rates in the UFS would generally be about 85% of the comparable SAC rates, these two areas would be around 70% and 75% of the SAC rates. The table below sets the difference out.

Table 4: Volumes and funding rates for aviation and high-cost engineering

	2020 Equivalent Full-Time Learners	2021 SAC rates	Option 1	Option 2
Aviation	290	$14,252	$9,960	$9,916
Priority engineering	810	$13,285	$9,960	$9,916

38. Sub-degree aviation provision is all delivered through PTEs. The fees are very high (average of $62,000, and some fees exceed $200,000), meaning that the decrease in total revenue per FTEL is around 5%. Given the high fees (which significantly exceed student loans and fees free caps), in the longer term a work-based learning model supported by employers would seem attractive.

39. Priority engineering was a category introduced in 2013 as part of changes to increase the supply of engineers. The rate was set above the cost of delivery to incentivise enrolments in level 5 and 6 provision, as part of a push to grow the supply of workers with these skills. The SAC-funded enrolments are almost all at Te Pūkenga, although there is some industry training in this area (around 70 standard training measure units of training in 2020).

40. We recommend that we proceed with rates as currently set in the UFS. However, if you prefer, we could establish a fifth subject rate to keep these closer to the SAC rates.

Further refinements to funding rates

41. We will provide advice about finalising the UFS funding rates in April 2022, based on full-year data for 2021. This advice will also include the result of some more detailed work to test the funding rates. The areas for further work are:

    a. Testing the allocation of industry training programmes to the new subject groupings with transitional ITOs (or providers, where they have taken on these responsibilities).

    b. Assuring ourselves that the rates are workable for some of the lower-funded but priority subjects, such as early childhood education, hauora, whānau ora, and some healthcare. Initial investigation shows very small changes in funding at the provider level, but we will investigate further with officials with expertise in these sectors.

    c. We are considering whether some very low volume areas of provision might need to be protected by being put in a higher funding category. These are often delivered by a single PTE with national coverage. Subjects include medical transcribing, air traffic control, child protection, professional legal studies, and aeronautical engineering.

d. Allowing for final decisions on eligibility changes – in particular, the impacts of grandparenting arrangements for 'international' trainees.

Next steps

42. We seek your feedback on this paper by 15 November to inform the amendments to the UFS Cabinet paper ahead of Ministerial consultation.

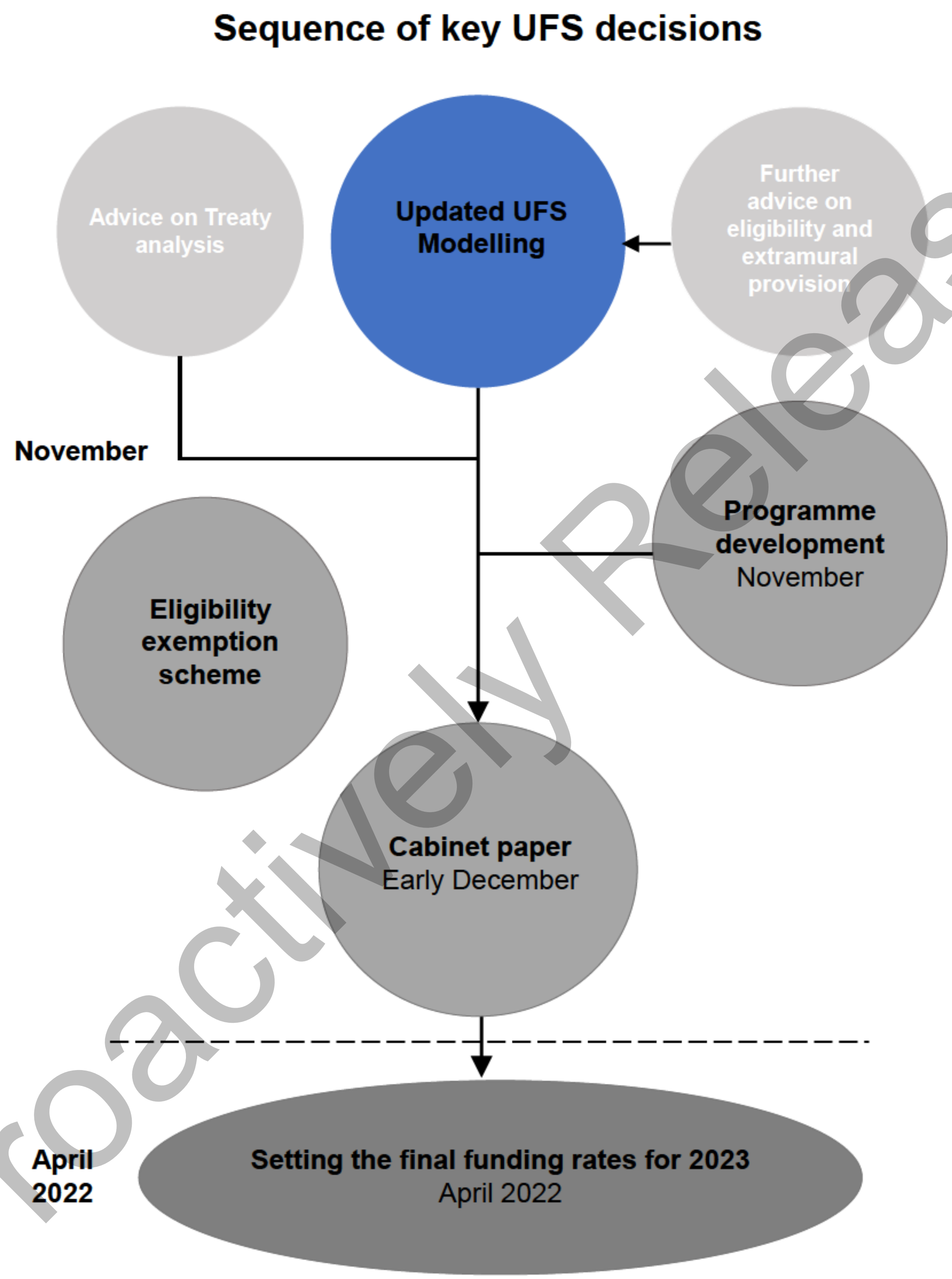
Annexes

Annex 1: Sequence of key UFS decisions

Annex 2: Parameters for options 1 and 2

Annex 3: Impacts at sub-sector and provider level

Annex 1: Sequence of key UFS decisions



Annex 2: Parameters for options 1 and 2

Scenario B: Moderate incentives

Learner success component: 8%, ~$74m

	Funding rates
Māori and Pacific learners to level 6	$137
Māori and Pacific learners level 7	$329
Learners with low prior achievement	$1,367
Disabled learners	$1,367

Strategic component: 4%, ~37m

	Share	$ million
Te Pūkenga	70%	26
PTE projects	30%	11

In this scenario, the work-based rates are partially set according to subject ratios, to incentivise pathways to work-based learning. Extramural rates are the same as work-based, in recognition that the online delivery of learning materials in work has very similar cost structures.

Provider-based rates are lower than current SAC rates.

Funding category component – 88%, ~$814m

Subject rate			Mode of delivery				
			Provider based	Provider-based: Extramural	Work-based	Work-based: Pathway to work	Assessment & verification
	Ratio or Rate	Base rates	100% of base rate	$2,000 + 60% of base rate	$2,000 + 60% of base rate	$2,000 + 80% of base rate	$1,500
Humanities, Business and Social Service Vocations (F1)	1.0	$5,586	$5,586	$5,351	$5,351	$6,468	$1,500
Trades, creative, IT and health-related vocations (F2)	1.6	$8,937	$8,937	$7,362	$7,362	$9,149	$1,500
Engineering, Health, Science and Primary Industry Vocations (F3)	1.8	$10,054	$10,054	$8,032	$8,032	$10,043	$1,500
Specialist Low-volume, high-cost vocations (F4)	3.0	$16,757	$16,757	n/a	n/a	n/a	n/a
Te reo and Tikanga Māori (F6)	$6,511	$6,511	$6,511	n/a	n/a	n/a	n/a

Option 1: A moderate programme development fund at 3% of UFS funding with extramural funding rates remaining subject-linked

Learner success component: 8%, ~$74m

	Funding rates
Māori and Pacific learners to level 6	$137
Māori and Pacific learners level 7	$329
Learners with low prior achievement	$1,367
Disabled learners	$1,367

Strategic component: 7%, ~65m

	Share	$ million
Te Pūkenga	66%	~43
Wānanga	4%	~3m
PTE projects	30%	~19

Compared to scenario B, this option sets extramural funding at 70% of provider-based, and hence below work-based learning rates.

Other rates are slightly lower than scenario B.

Funding category component – 88%, ~$814m

Subject rate			Mode of delivery				
			Provider based	Provider-based: Extramural	Work-based	Work-based: Pathway to work	Assessment & verification
	Ratio or Rate	Base rates	100% of base rate	70% of base rate	$1,900 + 60% of base rate	$1,900 + 80% of base rate	$1,500
Humanities, Business and Social Service Vocations (F1)	1.0	$5,533	$5,553	$3,873	$5,220	$6,327	$1,500
Trades, creative, IT and health-related vocations (F2)	1.6	$8,853	$8,853	$6,197	$7,212	$8,983	$1,500
Engineering, Health, Science and Primary Industry Vocations (F3)	1.8	$9,960	$10,960	$6,972	$7,876	$9,868	$1,500
Specialist Low-volume, high-cost vocations (F4)	3.0	$16,600	$16,600	n/a	n/a	n/a	n/a
Te reo and Tikanga Māori (F6)	$6,511	$6,511	$6,511	n/a	n/a	n/a	n/a

Option 2: **A larger programme development fund at 4% of UFS funding with a flat rate for extramural delivery**

Learner success component: 8%, ~$74m

	Funding rates
Māori and Pacific learners to level 6	$137
Māori and Pacific learners level 7	$329
Learners with low prior achievement	$1,367
Disabled learners	$1,367

Strategic component: 8%, ~74m

	Share	$ million
Te Pūkenga	65%	~48
Wānanga	5%	~4
PTE projects	30%	~22

Compared to scenario B, this option sets the extramural funding rate at $4,500, moving it away from subject-based ratios to reflect its different cost structures. Other rates are slightly lower than scenario B.

Funding category component – 84%, ~$777m

Subject rate			Mode of delivery				
			Provider based	Provider-based: Extramural	Work-based	Work-based: Pathway to work	Assessment & verification
	Ratio or Rate	Base rates	100% of base rate	$4,500	$1,800 + 60% of base rate	$1,800 + 80% of base rate	$1,500
Humanities, Business and Social Service Vocations (F1)	1.0	$5,509	$5,509	$4,500	$5,105	$6,207	$1,500
Trades, creative, IT and health-related vocations (F2)	1.6	$8,815	$8,815	$4,500	$7,089	$8,852	$1,500
Engineering, Health, Science and Primary Industry Vocations (F3)	1.8	$9,916	$9,916	$4,500	$7,750	$9,733	$1,500
Specialist Low-volume, high-cost vocations (F4)	3.0	$16,527	$16,527	n/a	n/a	n/a	n/a
Te reo and Tikanga Māori (F6)	$6,511	$6,511	$6,511	n/a	n/a	n/a	n/a

Annex 3: Impacts at sub-sector and provider level

Table 1: Impacts at sub-sector level

This table includes the effects of the strategic component and programme development pool on Te Pūkenga and PTEs. This is not reflected in provider-level impacts below because its allocation at this level is yet to be determined.

Subsector	**2021**	**Scenario B**	**Option 1**	**Option 1: Compared to 2021**		**Option 2**	**Option 2: Compared to 2021**	
	$ million	$ million	$ million	$ million	%	$ million	$ million	%
Te Pūkenga	346.3	335.7	336.6	-9.7	-3	337.3	-9	-3
Delivery from transitional ITOs	203.2	304.7	299.8	96.6	47.5	296.1	92.8	46
Wānanga	94.6	96.0	98.2	3.6	4	99.1	4.5	5
PTEs	168.3	163.2	166	-2.2	-1	168.5	0.3	0
Universities	28.9	25.8	24.7	-4.1	-14	24.4	-4.5	-15
Total	841.3	925.4	925.4	84.1	10.0	925.4	84.1	10

Table 2: Impacts of the UFS on Te Pūkenga at the current subsidiary level

	2021	Scenario B	Option 1			Option 2			Effect of Option 2 on total allocation	
	SAC / ITF	UFS funding	UFS funding	Compared to 2021		UFS funding	Compared to 2021		Total 2021 allocation	Change due to Option 2
	$ million	$ million	$m	$ million	%	$m	$ million	%	$m	%
Open	43.2	36.2	28.8	-14.4	-33%	27.5	-15.7	-36%	46.2	-34%
SIT	23.3	20.2	18.2	-5.2	-22%	17.3	-6.1	-26%	33.0	-18%
Otago	29.2	25.1	23.8	-5.4	-18%	21.9	-7.3	-25%	45.5	-16%
NMIT	14.7	13.0	12.6	-2.1	-14%	12.4	-2.3	-16%	21.8	-11%
Tai Poutini	2.4	2.2	2.1	-0.3	-12%	2.1	-0.3	-12%	3.0	-10%
Unitec	35.7	31.9	31.6	-4.1	-11%	31.4	-4.2	-12%	54.5	-8%
Toi Ohomai	32.9	30.4	29.4	-3.5	-11%	29.6	-3.4	-10%	43.4	-8%
WelTec	17.9	16.1	16.0	-1.9	-11%	15.9	-2.0	-11%	24.7	-8%
NorthTec	14.0	12.8	12.6	-1.3	-10%	12.6	-1.4	-10%	19.4	-7%
WITT	10.0	9.2	9.1	-0.9	-9%	9.0	-1.0	-10%	13.1	-7%
Ara	38.0	34.9	34.1	-3.9	-10%	33.9	-4.1	-11%	64.1	-6%
WINTEC	21.3	19.2	18.6	-2.7	-13%	18.3	-3.0	-14%	47.7	-6%
MIT	20.8	18.7	18.4	-2.4	-12%	18.4	-2.4	-12%	53.8	-5%
UCOL	15.9	14.7	14.4	-1.7	-10%	14.4	-1.6	-10%	29.9	-5%
EIT	19.2	18.2	17.7	-1.6	-8%	17.8	-1.5	-8%	41.8	-4%
Whitireia	7.6	7.0	6.8	-0.8	-10%	6.7	-0.9	-11%	21.4	-4%
Te Pukenga Total	346.1	309.8	294.2	-52.2	-15%	289.2	-57.2	-16%	563.3[2]	-10.1%

[2] This total excludes an additional $40m allocated to Te Pūkenga to spread across network in response to changes in demand

Table 3: Impacts of the UFS on wānanga

	2021	Scenario B	Option 1			Option 2			Effect of Option 2 on total allocation	
	SAC / ITF	UFS funding	UFS funding	Compared to 2021		UFS funding	Compared to 2021		Total 2021 allocation	Change due to Option 2
	$ million	$ million	$m	$ million	%	$m	$ million	%	$m	%
Aotearoa	75.4	76.2	75.6	0.2	0	75.6	0.2	0	$132.3	0.2
Awanuiārangi	6.3	6.4	6.4	0.1	2	6.4	0.1	2	$23.8	0.4
Raukawa	12.9	13.4	13.4	0.5	4	13.4	0.5	4	$17.9	2.6

Table 4: Impacts of the UFS on universities

	2021	Scenario B	Option 1			Option 2			Effect of Option 2 on total allocation	
	SAC / ITF	UFS funding	UFS funding	Compared to 2021		UFS funding	Compared to 2021		Total 2021 allocation	Change due to Option 2
	$ million	$ million	$ million	$ million	%	$m	$ million	%	$m	%
Massey	6.6	5.4	4.6	-2.0	-30	4.5	-2.1	-32	217.9	-1.0
Lincoln	2.6	2.3	2.3	-0.3	-13	2.2	-0.4	-16	42.9	-1.0
AUT	9.0	8.0	7.8	-1.2	-13	7.6	-1.3	-14	195.9	-0.6
Waikato	3.2	3.0	3.0	-0.2	-6	3.0	-0.2	-6	101.8	-0.2
Auckland	4.3	4.0	4.0	-0.3	-6	4.0	-0.3	-7	493.9	-0.1
Otago	1.5	1.4	1.4	-0.1	-7	1.4	-0.1	-7	343.9	0.0
Canterbury	1.1	1.1	1.0	-0.07	-6	1.0	-0.1	-6	190.6	0.0
Victoria	0.5	0.5	0.5	-0.01	-2	0.5	-0.0	-3	210.5	0.0

Table 5: Impacts of the UFS on Transitional ITOs 2021 funding

	2021	Scenario B	Option 1			Option 2			Effect of Option 2 on total allocation	
	SAC / ITF	UFS funding	UFS funding	Compared to 2021		UFS funding	Compared to 2021		Total 2021 allocation	Change due to Option 2
	$ million	$ million	$ million	$ million	%	$m	$ million	%	$m	%
Connexis	10.4	19.8	19.5	9.1	88	19.2	8.9	85	9.9	90
NZ MAC	1.5	2.5	2.5	1.0	65	2.4	0.9	63	1.4	69
9(2)(b)(ii) [redacted]										
MITO	13.7	21.1	20.7	7.0	51	20.5	6.7	49	15.2	44
BCITO	52.1	78.4	77.0	24.9	48	75.9	23.8	46	58.0	41
Competenz	24.2	36.7	36.2	12.0	50	35.9	11.7	48	28.2	41

9(2)(j) [redacted]

Table 6: Impacts of the UFS on PTEs, compared to 2021 funding

	Impact of scenario B		Option 1		Option 2	
Change in funding	Number of PTEs	Total change	Number of PTEs	Total change	Number of PTEs	Total change
		$ million		$ million		$ million
Reduction of 50% +	0	0	0	0	6	-0.8
Reduction of 40% +	0	0	1	-1.2	2	-2.6
Reduction of 30% +	2	-0.9	19	-5.8	4	-4.8
Reduction of 20% +	16	-2.3	15	-1.6	19	-8.6
Reduction of 11% to 20%	31	-6.7	30	-6.9	38	-9.2
Reduction of 6% to 10%	50	-5.2	44	-4.9	43	-3.6
Reduction of 0% to 5%	41	-1.2	32	-1.1	28	-1.1
Increase of 0% to 7%	12	0.1	11	0.1	12	0.1
Total	**152**	**-$16.2**	**152**	**-21.6**	**152**	**-21.9**