

## PROCESS FOR A PRIVATE TRAINING ESTABLISHMENT (PTE) TO BE INACTIVE

### (Education delivery impacted by external events)

1. A PTE's registration lapses if the PTE does not deliver at least one approved programme or micro-credential within a 12-month period unless an exemption is given by NZQA.<sup>1</sup>
2. If a PTE anticipates not delivering any programme or micro-credential for 12 months or more, they can stop their registration from lapsing by applying to become inactive by emailing [qaadmin@nzqa.govt.nz](mailto:qaadmin@nzqa.govt.nz)

#### **Purpose**

3. The purpose of this process is to enable a registered PTE to temporarily suspend the delivery of education without affecting their registration. This means that they can restart at a lower cost and more quickly after a period of inactivity than if they were to de-register and re-register.
4. This process applies when there is a force majeure (an extraordinary event or circumstance beyond the control of the PTE and NZQA), such as border closures.
5. A request to be inactive may be granted for a period of up to 12 months from the date of approval which can be extended to a maximum period of 2 years in total. PTEs can apply to NZQA at any time to re-open and resume delivery.

#### **Expectations**

6. NZQA will determine whether or not to approve the application to become inactive, including assessing if the force majeure is sufficient to justify inactivity.
7. All outstanding fees to NZQA must be paid before a period of inactivity is approved.
8. External quality assurance activities conducted by NZQA will not occur while a PTE is inactive.
9. A PTE's Student Fee Protection assurance engagement, due for the year ending prior to becoming inactive, must be completed and submitted to NZQA.
10. A PTE remains responsible for the maintenance of any approved programme including if another TEO holds accreditation for the approved programme.
11. A PTE is required to have a Recovery Plan approved by NZQA before resuming delivery at the end of the inactive period.
12. An inactive PTE must seek NZQA approval for any change of ownership.

#### *Expectations about students and student fees*

13. PTEs applying to become inactive are expected to see out their commitment to their current students.
14. If it is unavoidable for the PTE to cease delivery before all current students have completed their full enrolment period, NZQA will work alongside the PTE to support students to make alternative arrangements prior to the PTE's closure.
15. The PTE must meet all relevant and reasonable costs relating to the transfer of those students to alternative providers. Should some affected students wish to cease their programme, they will be entitled to receive a pro-rata refund, as set out in the Student Fee Protection (SFP) Rules.
16. Students who have not yet begun their studies are entitled to receive a full refund.
17. No student fees should remain in an inactive PTE's trust account unless a student wishes to leave their fees in trust for a future programme.

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<sup>1</sup> Education and Training Act 2020 section 352

18. Where student fees remain in an inactive PTEs Trust Account, an SFP assurance engagement will be required, and students would be entitled to a 100% refund if requested, during the period of inactivity.

### **Applying to become inactive**

19. To apply to become inactive, a PTE needs to:

- a. complete this [application form](#) and email it to: [qaadmin@nzqa.govt.nz](mailto:qaadmin@nzqa.govt.nz)
- b. have stopped providing NZQA approved programmes or micro-credentials
- c. have no outstanding compliance matters with NZQA, including no fees owed (these must be resolved prior to becoming inactive)
- d. have satisfactory financial management practices and performance, including sufficient cashflow to fund remaining business operations during the inactive period)
- e. inform TEC (if the PTE received TEC funding) and Study Link
- f. inform Immigration New Zealand (INZ) (if offering places to international students).

20. NZQA will issue a letter confirming the PTE is inactive. This will be for an initial period of up to 12 months from the date delivery of education stopped (or less, if requested by the PTE and agreed to by NZQA).

21. If a further extension is to be requested, the PTE must notify NZQA at least two weeks prior to the expiry date. If NZQA is not notified by the provider, or does not approve the extension, then the PTE will cease to be registered.

22. NZQA will publish inactive PTEs on its website.

### **Applying to end the period of inactivity**

23. The requirements to end the period of inactivity are similar to the requirements for a new registration but without the necessity to repeat information or resubmit information already held by NZQA.

24. Where there are significant changes to any aspect of delivery, NZQA may request further information to determine if further action, such as a new application, is required.

25. If a PTE does not apply and/or NZQA does not approve a PTE's application to reactivate, the PTE's registration will lapse at the end of the inactive period.

26. **Before re-opening**, a PTE intending to end its period of inactivity must:

- a. inform NZQA at least two months prior to its planned re-opening date by emailing [qaadmin@nzqa.govt.nz](mailto:qaadmin@nzqa.govt.nz).
- b. submit a PTE Annual Return Statutory Declaration, confirming their readiness to comply with all applicable Rules on re-opening
- c. have their Recovery Plan approved by NZQA
- d. advise INZ of their intention to re-open (if offering places to international students).

### **About the Recovery Plan**

27. An inactive PTE must submit a Recovery Plan to resume provision of its programme, training scheme or micro-credential, this includes applying for any programme changes before resuming delivery.

28. A Recovery Plan must include the following:
- a. details of all changes to the information previously held by NZQA
  - b. the programmes the PTE plans to deliver and the relevant staff and site information
  - c. a financial forecast, with clear explanations of the basis for the figures in the forecast. Forecasts should be in electronic format (spreadsheet)
  - d. a risk assessment highlighting major risks of not achieving business plans and any mitigation actions taken to reduce these risks

29. In general, the longer period of inactivity, the more details will be required in the Recovery Plan.

**Once NZQA approves the Recovery Plan the PTE is active**

30. The PTE can commence marketing and making offers of placements to potential students. Students can be enrolled, and delivery recommenced.
31. NZQA quality assurance will resume.
32. A NZQA validation visit must take place within 6-months of reactivation.