Inland Revenue
Te Tari Taake

RULINGS > PRODUCT | **WHAKATAUNGA** > WHAKAPUTANGA

Ministry of Education

Issued | Tukuna: 23 October 2025

BR Prd 25/05

The Arrangement is the payment of bursaries that Initial Teacher Education (ITE) providers make to eligible student teachers under the School Onsite Training Programme. To be eligible, student teachers must be hosted in schools 3 days a week while completing their 1-year graduate or postgraduate ITE programme, approved by the Teaching Council, that will lead to teacher registration.

The Ministry of Education funds the bursary payments that the ITE providers make.

To the extent that a bursary payment an ITE provider makes to a student teacher under the Arrangement is income, it is exempt income of the student teacher under s CW 36 of the Income Tax Act 2007.

START DATE – END DATE | RĀ TĪMATA – RĀ MUTUNGA
1 September 2025 – 31 August 2028

(THIS TITLE PAGE DOES NOT FORM PART OF THE RULING. | KĀORE TĒNEI WHĀRANGI TAITARA I WHAI WĀHI I TE WHAKATAUNGA.)

Product Ruling | Whakataunga Whakaputanga – BR Prd 25/05

This is a product ruling made under s 91F of the Tax Administration Act 1994.

Name of person who applied for the Ruling | Ingoa o te tangata i tono i te Whakatau

This Ruling has been applied for by the Ministry of Education (the Ministry).

Taxation Laws | Ture Tāke

All legislative references are to the Income Tax Act 2007 unless otherwise stated.

This Ruling applies in respect of s CW 36.

The Arrangement to which this Ruling applies | Te Whakaritenga i pāngia e tēnei Whakataunga

The Arrangement is the payment of bursaries that Initial Teacher Education (ITE) providers make to eligible student teachers under the School Onsite Training Programme (SOTP).

The Ministry funds the bursary payments that the ITE providers make.

The following paragraphs set out further details of the Arrangement.

Background

1) The SOTP is a government-funded initiative that the Ministry administers. It funds places in school-based ITE programmes, where teacher trainees are hosted in schools for 3 days a week while studying their Teaching Council-approved ITE programme.

2) The SOTP combines school-based experience with a full-time, 1-year ITE programme. It allows teacher trainees to study while gaining classroom experience and observing important areas of teaching like classroom management. Spending more time in school supports teacher trainees to develop confidence and capability in preparation for their first year as a beginning teacher.

3) Under the SOTP, student teachers will receive a bursary (SOTP Bursary).

4) For the 2026 intake, 465 funded bursary places will be available.

5) ITE providers apply to the Ministry for funding to provide approved SOTP Bursaries. As part of the application process, ITE providers are required to work with participating host schools.

6) To be considered for funding for the SOTP, ITE providers must have an approved 1-year graduate or postgraduate ITE programme that:

   a) will lead to teacher registration; and

   b) is focused on primary or secondary education.

7) The following are additional requirements for ITE providers to receive funding for the SOTP Bursaries:

   a) Providers must demonstrate that they understand work-based practice and integrate it into their programme design and delivery. This includes confirming that school partners are involved in course design and delivery and providing evidence of how the SOTP delivers differentiated wraparound support and structure for student teachers.

   b) Providers must supply proof that their assessment includes authentic evidence generated through practice. Part of that proof must come from an onsite assessment involving mentor teachers and other school staff where appropriate.

   c) Providers must have clear agreements with schools, addressing how appropriately experienced mentor teachers will support student teachers on site within a whole-school approach.

   d) Primary school ITE programme providers must also demonstrate that their programme has an explicit focus on preparing teachers to teach to the new curriculum. Key focus areas include structured literacy, structured mathematics, and the science of learning and use of explicit instruction.

8) The key responsibilities of ITE providers under the SOTP are to:

   a) market and promote their programme and SOTP-funded places;

   b) provide programme governance;

   c) monitor and report on the programme;

   d) provide ongoing learning and development for student teachers;

   e) enrol students in an approved ITE programme that leads to teacher registration;

   f) act as a go-between for the Ministry and participating schools; and

   g) collect data and meet the Ministry's reporting requirements.

9) Schools that host a student teacher under an ITE programme also need to meet the following requirements.

Primary schools must:

a) demonstrate a solid understanding of the science of learning and its application in school;

b) demonstrate a school-wide commitment to professional learning and development (PLD) in maths and structured literacy; and

c) have available an experienced mentor teacher (ie, with 4 years or more of teaching experience) who has undertaken PLD in structured literacy and structured mathematics.

Secondary schools must:

a) have a good understanding of the science of learning and its application in school; and

b) have available an experienced mentor teacher (ie, with 4 years or more of teaching experience).

10) The Ministry assesses each application from ITE providers using a weighted assessment, which is communicated to the sector. Based on this assessment, the Ministry allocates the available places to the ITE providers and schools. It then establishes contracts with selected ITE providers.

11) A list of ITE providers of approved ITE programmes leading to teacher registration through the SOTP was provided to Inland Revenue on 25 August 2025. The list includes the main universities.

12) The host school in the ITE programme may be a state or private/independent school but not a charter school.

13) The ITE provider is to pay the SOTP Bursary of $19,930 at regular intervals to each eligible student teacher, over the course of the academic year.

14) A recipient may use the SOTP Bursary to pay fees for the ITE programme they are enrolled in, as well as to pay living costs (eg, accommodation, transport and childcare) and course-related costs (eg, materials and equipment).

15) The value of the bursaries and the number of funded places available may change in later years. However, the bursary recipients will always be subject to the eligibility criteria and terms and conditions outlined at [16)].

16) To be eligible for a SOTP Bursary, a student teacher must:

a) be enrolled in a 1-year graduate or postgraduate ITE programme approved by the Teaching Council that will lead to teacher registration and that is focused on primary or secondary education;

b) be placed in a host school for 3 days per week or equivalent (eg, 3 school days or 2 school days and 2 other mornings, depending on the needs of the ITE programme, the school and the teacher trainee). This onsite time is separate to placement requirements (see below);

c) meet the placement day requirements of the approved ITE programme that they are enrolled in; and

d) be a New Zealand citizen or New Zealand permanent resident.

17) Student teachers awarded a 2026 SOTP Bursary are not eligible to be a recipient of a TeachNZ Scholarship.

18) The Ministry provides a school contribution of $2,000 through the ITE provider to host schools as part of the programme. The $2,000 school contribution is made directly to the host school from the ITE provider. The student teacher does not receive it and it is not part of the SOTP Bursary.

19) The SOTP Bursary does not involve any arrangements for employment or bonding of the student teacher with the ITE provider or placement school.

20) Recipients are under no obligation to provide any services to the ITE provider or host school in return for the payment of the SOTP Bursary.

21) Applications from ITE providers for SOTP funding closed in September 2025 for the 2026 academic year.

How the Taxation Law applies to the Arrangement | Ko te pānga o te Ture Tāke ki te Whakaritenga

The Taxation Law applies to the Arrangement as follows:

(a) To the extent a bursary payment the ITE provider makes to a student teacher under the Arrangement is income, it is exempt income of the student teacher under s CW 36.

Period or income year for which this Ruling applies | Te wā, te tau moni whiwhi rānei i pāngia ai e tēnei Whakataunga

This Ruling will apply for the period beginning on 1 September 2025 and ending on 31 August 2028.

This Ruling is signed by me on the 23rd day of October 2025.

Amy McGimpsey
Group Lead | Kaihautū ā-rōpū
Customer Compliance Services | Ratonga Kiritaki me te Tautukunga

About this document | Mō tēnei tuhinga

Product Rulings are issued by the Tax Counsel Office and Customer and Compliance Services. Product Rulings set out the Commissioner's view on how tax laws apply to a particular "product" – which is an arrangement that a specified taxpayer is likely to enter into with a number of people on identical terms. Taxpayers who enter into the arrangement described in a Product Ruling may apply the ruling but are not obliged to do so. Product Rulings are binding on the Commissioner. This means that if you are entitled to apply a Product Ruling and you have calculated your tax liability in accordance with the ruling, the Commissioner must accept that assessment. A Product Ruling applies only to the taxation laws and arrangement set out in the ruling, and only for the period specified in the ruling. It is important to note that a general similarity to an arrangement covered by a Product Ruling will not necessarily lead to the same tax result.