Education Report: Proposed variation to student achievement component funding for international students involved in postgraduate research

To: Hon Chris Hipkins, Minister of Education
Date: 5 December 2018
Priority: High
Security Level: In Confidence
METIS No: 1169884
Drafters: S 9(2)(a)
DDI: S 9(2)(a)
Key Contact: Shelley Robertson
DDI: No
Messaging seen by Communications team: No
Round Robin: No

Purpose of Report

This paper seeks your agreement to discontinue eligibility to funding for international students enrolled in postgraduate research programmes for four universities in 2019. This will result in equitable access to tertiary funding for these students for all tertiary education organisations for 2019.

Summary

On 18 September, you agreed that officials consult the four universities on a variation so that the funding changes could come into effect in 2019 during the course of investment plans. The proposed variation would discontinue student achievement component funding eligibility for international students enrolled in postgraduate research programmes from 2019 (excluding Doctor of Philosophy programmes). We received submissions from three out of the four universities consulted on the proposed variation (Victoria University of Wellington did not make a submission). Of the three submissions:

- Auckland University does not support the proposed variation taking effect from 2019, and disputes the rationale for the policy change agreed to in Budget 2018;
- Otago University recommends deferring implementation until 2020 to allow time to recover any potential loss in revenue, and;
- Waikato University does not have any objection to the proposal.

The Ministry and the Tertiary Education Commission recommend proceeding with the proposed variation. This will ensure equitable access to funding for all eight universities and the Waikato Institute of Technology, which have been enrolling international students into postgraduate research programmes. We do not consider the issues raised by two of the consulted universities are sufficient to not implement the change from 2019.
The Ministry of Education recommends you:

a. **note** the three submissions received from Auckland University, Otago University and Waikato University on the proposed variation to a funding mechanism under section 159OA of the Education Act (attached as Appendix 2)

b. **agree** to the proposed variation to discontinue eligibility to student achievement component funding for international students enrolled in postgraduate research programmes for the four universities consulted, which relates to funding determinations for student achievement component provision at levels 3 and above and Information and Communications Technology Graduate Schools

c. **sign** the letter to the Chair of the Tertiary Education Commission which relates to the variation of the two funding determinations (attached as Appendix 3)

d. **note** that if you agree to the proposed variation, the drafted determinations for student achievement component provision at levels 3 and above (attached in Appendix 4) and Information and Communications Technology Graduate Schools (attached in Appendix 5) will take effect three months after you sign the attached letter

e. **note** if you disagree with the proposed variation coming into effect the four consulted universities will be eligible to receive funding for international students enrolled in postgraduate research programmes until the end of 2019

f. **proactively release** this education report after the Tertiary Education Commission has communicated your decision on the proposed variation to the four consulted universities, with any redactions in line with the provisions of the Official Information Act 1982.
Background

1. As part of Budget 2018, tuition subsidies for international students enrolled in postgraduate research programmes (excluding Doctor of Philosophy programmes)\(^1\) were identified as a savings initiative and approved for reprioritisation. Reprioritising this funding was estimated to save $2 million per year from 2019 to help the Government address pressure on a wide range of core public services.

2. Eight universities and Waikato Institute of Technology currently receive SAC funding for these students. We identified complexities in implementing this change in 2019 for all nine tertiary education organisations (TEOs), as it affects four universities that have investment plans that continue into 2019. These are: Auckland University, Waikato University, Victoria University of Wellington, and Otago University.

3. The Ministry's legal advice indicated that making this funding change during the course of investment plans would require a variation to the funding mechanism as specified in section 159OA of the Education Act (the Act). In accordance with the requirements of 159OA of the Act, the proposed variation must be reasonably necessary and the Minister must consult with all organisations affected. If a variation is agreed to by the Minister, it cannot come into effect until the beginning of the next calendar year, or three months after agreeing to vary the determination, whichever is later.

4. On 18 September, you agreed for officials to consult with the four universities on the funding changes in accordance with the variation process under section 159OA of the Act [METIS 1148455 refers]. You also signed the two funding determinations affected by the proposed variation: SAC level 3 and above and Information and Communications Technology (ICT) Graduate Schools. This enabled the Tertiary Education Commission (TEC) to progress SAC funding decisions for 2019 while the consultation process was undertaken.

5. These versions of the funding determinations that come into effect on 1 January 2019 reflect a phased approach to the funding changes. This means that under the current funding conditions, the four universities which are on investment plans extending beyond 1 January 2019, will continue to receive funding for international students involved in postgraduate research until these investment plans expire on 31 December 2019.

Submissions on the proposed variation

6. We received submissions from three out of the four universities consulted on the proposed variation: Auckland University, Otago University and Waikato University. We did not receive a submission from Victoria University of Wellington. Copies of all submissions are attached in Appendix 2.

Auckland University

7. Auckland University does not support the proposed variation. The submission challenges the rationale for the policy change already made through Budget 2018, which removed eligibility to SAC funding from international students involved in postgraduate research. Auckland University considers the rationale for the proposed variation as irrelevant, since access to funding for international students is equitable under current settings in 2018.

\(^1\) International postgraduate students studying towards a Doctor of Philosophy programme are not affected, as they are treated as domestic students, and no changes have been made to their eligibility to funding.
8. Auckland University's submission may be in reference to the legislative requirement for the proposed variation to be 'reasonably necessary'. However, the submission compares the proposed variation to the current settings in 2018. Conditions for 2019 reflect a phased approach for TEOs to the funding changes, with those TEOs on new plans for 2019 not eligible to SAC funding for these international students from 1 January 2019. Under current settings, funding for international students will not be equitable in 2019.

Otago University

9. Otago University acknowledges the modest number of postgraduate international equivalent full-time students (EFTS) eligible for this funding each year, and that the tuition subsidy is in many ways an 'anachronism', given it predates funding for international students studying towards a Doctor of Philosophy programme. However, Otago University expresses concerns that there is not sufficient time to recover any potential loss in revenue that may result from the change and recommends deferring implementation until 2020.

Waikato University

10. Waikato University does not have any objection to the proposed variation and recognises that this funding relates to a small portion of postgraduate international EFTS. Waikato University sought clarification that the funding change for international students will not affect their current SAC allocations for 2019.

Recommended approach to implement funding changes

11. The Ministry and TEC recommend proceeding with the proposed variation. We do not consider that any of the submissions received contain any new information that is sufficient for you to reconsider the proposed variation. Appendix 1 provides an overview of the two options: to proceed or not proceed with the proposed variation.

We still consider the proposed variation reasonably necessary

12. We consider the proposal reasonably necessary to ensure an equitable and coherent tertiary funding system. It is important that students are treated on the same basis, including for access to funding, regardless of where they enrol.

13. Should the proposed variation not proceed, there will be differential access to funding between TEOs for international students in postgraduate research programmes in 2019. This would be the only circumstance in the tertiary funding framework where tertiary providers receive different access to SAC funding for the same category of students.

14. Should there be differential access to funding, those TEOs that become ineligible for this funding could increase international student fees for postgraduate research programmes to off-set any potential loss in funding. This could result in some international students paying higher fees in 2019 depending on where they study.

The proposed variation will have a limited impact on operations for these four universities

15. The amount of funding previously utilised by international students enrolled in postgraduate research, $2 million from all TEOs, has been reprioritised from the SAC appropriation. However, these Budget savings were realised from underutilised SAC funding. The SAC allocations were not decreased for the four universities due to the policy change in Budget 2018, and will not change, if the variation proceeds.
16. As shown in Table 1 below, the portion of SAC funding at the four universities previously utilised by international students involved in eligible postgraduate research programmes was 0.2% of their total SAC level 3 and above funding in 2017 (approximately $1.3 million).

Table 1: Comparing EFTS delivery for international postgraduate research students to the total Student Achievement Component level 3 and above delivery in 2017

<table>
<thead>
<tr>
<th>Institution</th>
<th>Total EFTS delivery</th>
<th>EFTS delivery for international postgrad research students</th>
<th>Funding for international postgrad research students as % of total SAC funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auckland University</td>
<td>28,647</td>
<td>114</td>
<td>0.2%</td>
</tr>
<tr>
<td>Otago University</td>
<td>16,713</td>
<td>42</td>
<td>0.1%</td>
</tr>
<tr>
<td>Victoria University</td>
<td>15,611</td>
<td>28</td>
<td>0.1%</td>
</tr>
<tr>
<td>Waikato University</td>
<td>8,256</td>
<td>20</td>
<td>0.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>69,227</strong></td>
<td><strong>204</strong></td>
<td><strong>0.2%</strong></td>
</tr>
</tbody>
</table>

17. TEC indicates that the four affected universities can still deliver provision to the level of SAC funding allocated in 2019, due to their previous high utilisation and their ability to utilise the funding for other domestic students. To adjust to the SAC funding change for international students, these universities could utilise SAC funding for other domestic students, such as those supported by the Fees-Free policy or international students studying towards a Doctor of Philosophy programme.

18. In terms of meeting any potential funding gap, these universities could increase international students’ fees for postgraduate research programmes. Since there is no fee regulation for international students, any need to replace SAC funding to meet delivery costs could be off-set by full-cost recovery from full fee-paying international students.

Impact of three month implementation date

19. As part of the requirements of section 159OA of the Act, if you agree to the proposed variation in December, it will come into effect three months later, in March. This means that the four universities will be entitled to receive funding for international students enrolled in postgraduate research programmes before the variation comes into effect.

20. Our intent for any variation would be for it to come into effect at the start of the academic year, or as close to the start of the academic year as possible, to reduce any operational complications and give the sector more consistent funding rules over the academic year.

21. TEC has advised that it will work with the four universities affected to implement the change. If any of the universities choose to claim this SAC funding before the variation comes into effect, TEC will work with these providers individually to find suitable funding and reporting solutions. A longer period to manage in 2019, may make it more complicated for TEC and for the four universities.

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2 In 2017, these four universities have utilised around 100% of their SAC funding allocation, compared to 96% by Institutes of Technology and Polytechnics or 98% by Private Training Establishments.
Next steps

27. We will coordinate with TEC to communicate your decision to the four consulted universities. If you agree to the proposed variation, TEC will clearly communicate to the universities that 2019 SAC funding allocations will be unaffected by this funding change.

28. If you agree to proceed with the proposed variation, the change will come into effect three months after you sign the attached letter to the Chair of TEC, issuing the funding determinations for SAC provision at levels 3 and above (attached in Appendix 4) and ICT Graduate Schools (attached in Appendix 5). TEC will then work with the four consulted universities to find suitable funding and reporting solutions until the variation comes into effect.

29. If you do not agree proceed with the proposed variation, the four universities consulted will continue to receive funding for international students involved in postgraduate research until their investment plans expire on 31 December 2019.

Proactive release

30. We recommend that this education report is proactively released after TEC has communicated your decision on the proposed variation to the four consulted universities. We propose to redact the legal advice in the summary and paragraphs 22 to 26 as this can be withheld under section 9(2)(h) of the Official Information Act 1982.
### Appendix 1: Options analysis for decision on proposed variation

<table>
<thead>
<tr>
<th>Decision</th>
<th>Agree to proceed with the variation</th>
<th>Do not proceed with the variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>There will be no SAC funding for international students enrolled in postgraduate research programmes in 2019 for all TEOs.</td>
<td>SAC funding for international students enrolled in postgraduate research programmes remains for the four universities with existing plans for 2019, with no funding for this group of TEOs from 2020. This phased approach will result in differential eligibility to SAC funding across TEOs for 2019 only.</td>
<td></td>
</tr>
<tr>
<td>This will ensure consistency in funding settings for all TEOs and all international students.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes to funding determinations for 2019</td>
<td>Sign new funding determinations for SAC Level 3 and above, and the ICT Graduate Schools. These will come into effect three months after signing them. Prior to this date, the funding determinations agreed to in September 2018, will come into effect on 1 January 2019.</td>
<td>None. Funding determinations, as agreed to in September 2018, come into effect on 1 January 2019.</td>
</tr>
<tr>
<td>Communications</td>
<td>TEC send letter to four affected parties indicating that you have agreed to the variation, but noting their SAC funding allocation for 2019 are unaffected.</td>
<td>TEC send letter to four affected parties indicating that you have not agreed to proceed with the variation for 2019 and that the SAC funding change will take place for the four universities in 2020.</td>
</tr>
<tr>
<td>Funding impact</td>
<td>Four universities' SAC allocations are unaffected. Budget savings were realised from overall SAC funding being reduced, from where it was not being utilised. However, the four universities cannot utilise their SAC funding for international students enrolled in postgraduate research programmes. Could compensate for this by utilising their SAC funding for more domestic student enrolments.</td>
<td>Four universities' SAC allocations are unaffected. Budget savings were realised from overall SAC funding being reduced, from where it was not being utilised.</td>
</tr>
</tbody>
</table>
Dear Nigel

Variation of determination of design of funding mechanisms under section 1590A of the Education Act 1989

I am writing to advise you of a variation of determination of the design of two funding mechanisms, under section 1590A of the Education Act 1989, for Student Achievement Component provision at Level 3 and above and Information and Communications Technology Graduate Schools.

The varied determinations are set out in the appendices to this letter and will come into effect three months from today’s date, replacing the determinations issued on 18 September that come into effect on 1 January 2019.

The varied determinations will discontinue eligibility to funding for international students enrolled in postgraduate research programmes for tertiary education organisations on investment plans that were approved by the Tertiary Education Commission before Budget 2018 on 17 May 2018 and that expire after 1 January 2019. International postgraduate students studying towards a Doctor of Philosophy programme are not affected, as they are treated as domestic students, and no changes have been made to their eligibility to funding.

Under section 1590 of the Education Act 1989, it is the Tertiary Education Commission’s responsibility to develop the operational policy and practices needed to implement my determinations of the design of funding mechanisms. This includes working with tertiary education organisations if there is any impact upon existing operations.

Yours sincerely

Hon Chris Hipkins
Minister of Education
Gillian Gudgeon,
Deputy CEO – Delivery
The Tertiary Education Commission

Attention: § 9(2)(a)

Re: Submission on a proposed variation under section 159OA of the Education Act 1989

The University of Auckland’s Investment Plan 2017-2019 was accepted by TEC in December 2016. The TEC is proposing a variation to this funding agreement for the final year of our investment plan, by removing Student Achievement Component Funding for international research master students i.e. Category 5. The rationale for the proposed variation to our funding conditions is that it is necessary to keep consistency across TEOs and ensure equitable access to funding for international students.

The impact of this change means a loss of approximately $800,000 of SAC funding annually for the University of Auckland.

We would like to challenge the proposed variation as the rationale does not reflect the original basis for the allocation of the funding. The basis on which this funding was continued, following the removal of research top-ups with the introduction of PBRF funding, was the recognition of the value of masters research by international students. The removal of the funding diminishes the recognition of research undertaken by international students in masters programmes.

We are consider that “consistency across TEOs and equitable access to funding” for international students is irrelevant in relation to Category 5 funding as only institutions offering research masters programmes to international students are able to access the funding and the current provisions are equitable for those TEOs. The funding is a recognition of the research value these international students bring to New Zealand. In order to support these students and their valuable contribution we need the additional category 5 funding.

Pamela Moss
Director of Planning
University of Auckland.
4 October 2018

Gillian Dudgeon
Deputy Chief Executive – Delivery
Tertiary Education Commission
P O Box 27048
Wellington 6141
By email: s 9(2)(a)

Dear Gillian

Submission on Proposed Category 5 Funding Change

Thank you for your letter of 28 September 2018.

In making this submission we note and acknowledge that:

- The category 5 funding arrangement for foreign research-based students is in many respects an anachronism within the funding system;
- It predates the fifth Labour Government’s decision to treat doctoral research degree students as domestic students for funding and tuition fee purposes – an initiative that continues to generate significant benefits for New Zealand.

That said, we do have concerns about what – despite this late request for submissions – appears to now be a fait accompli, following a May budget announcement that terminated a long-standing funding arrangement with no warning or prior consultation.

As the table below shows, Otago enrols a modest number of category 5 EFTS each year. Over the past eight years, this enrolment has averaged around 47 EFTS with a nominal average SAC dollar value of approximately $285K per annum.

University of Otago
Category 5 SAC EFTS and Nominal Funding (ex GST), 2011-2018

<table>
<thead>
<tr>
<th>Year</th>
<th>EFTS</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>46.3</td>
<td>$282,484</td>
</tr>
<tr>
<td>2012</td>
<td>68.9</td>
<td>$425,397</td>
</tr>
<tr>
<td>2013</td>
<td>51.3</td>
<td>$303,306</td>
</tr>
<tr>
<td>2014</td>
<td>41.0</td>
<td>$238,490</td>
</tr>
<tr>
<td>2015</td>
<td>39.3</td>
<td>$239,796</td>
</tr>
<tr>
<td>2016</td>
<td>31.3</td>
<td>$193,036</td>
</tr>
<tr>
<td>2017</td>
<td>41.7</td>
<td>$256,615</td>
</tr>
<tr>
<td>2018*</td>
<td>54.3</td>
<td>$346,622</td>
</tr>
</tbody>
</table>

* 2018 EFTS as at 31 August
The withdrawal of this income stream at short notice is not hugely significant in the overall scheme of Otago's total SAC funding allocation. Nonetheless, it is not a sum we have any chance of being able to recover going forward.

By way of example, to recover the funding forgone via the EFTS enrolled, we would have to raise the tuition fees for international students of this type by well over $6,000 per EFTS. An increase of this magnitude would be hard to justify in the market, and would most likely cause a collapse in our international non-doctoral research degree enrolments.

In order to allow sufficient time to adjust to this change, it would preferable if, at the least, implementation were delayed until 2020. This would provide a buffer of time for us to reorganise aspects of what we do in this area, and would ensure that current Investment Plans were completed under the established arrangement.

As a final technical point, we note that the Ministry of Education and TEC have not yet signalled any consequential changes to the SDR for 2019 (e.g. removal of the ASSIST code 06). Should this funding change proceed, this signalling should occur as soon as possible, to ensure that SMS vendors have time to implement all changes for the April 2019 SDR.

Yours sincerely

[Signature]

Professor Harlene Hayne, ONZM, PhD, HonDSc, FRSNZ
Vice-Chancellor
Dear Gillian

The University of Waikato appreciates the Minister undertaking consultation with affected institutions following the Budget announcement with respect to discontinuing Category 5 SAC funding.

The University does not have any objection to the removal of SAC Category 5 funding and recognises that the number of EFTS generated by these students each year is relatively small.

It is not clear from the consultation document whether the Tertiary Education Commission intends to adjust institutional funding as a consequence of the removal of funding for Category 5 students; given that the University has not included any Category 5 EFTS in its 2018 or 2019 Mix of Provision previously submitted to the Tertiary Education Commission, such a change would be unexpected.

The University recognises that the removal of Category 5 EFTS will impact on data reporting and will mean that, to the uninformed, it will appear that institutions are now attracting full-fee paying postgraduate international students; students that would previously have been reported as Ministry-Funded. While this is unlikely to have a significant impact on reporting it will require explanation for a considerable amount of time.

Kind regards

Professor Neil Quigley
Vice-Chancellor
DETERMINATION OF DESIGN OF FUNDING MECHANISM:
STUDENT ACHIEVEMENT COMPONENT – PROVISION AT
LEVEL 3 AND ABOVE ON THE NEW ZEALAND
QUALIFICATIONS FRAMEWORK

PRELIMINARY PROVISIONS

Statutory authority

1. This funding determination is made under section 159L of the Education Act 1989 (the Act), and specifies the design of the funding mechanism for Student Achievement Component (SAC) provision at level 3 and above on the New Zealand Qualifications Framework (NZQF).

2. This determination incorporates the supplementary determinations issued on 4 September 2017 and 12 February 2018.

Purpose

3. SAC funding contributes towards the provision of teaching and learning services for enrolled students at tertiary education organisations (TEOs).

4. The SAC comprises the following two funds:
   a. provision at levels 1 and 2 on the NZQF; and
   b. provision at level 3 and above on the NZQF.

On-plan funding

5. The Tertiary Education Commission (TEC) must pay funding allocated under this funding mechanism under section 159YA of the Act.

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1 For the requirements regarding the funding of provision relating to qualifications at levels 1 and 2 on the NZQF, refer to: "Determination of design of funding mechanism: Student Achievement Component – provision at levels 1 and 2 on the New Zealand Qualifications Framework".
PART ONE: THE FUNDING MECHANISM

General parameters

Effective period dates

6. This funding mechanism is to fund provision from 1 January 2019.

7. The TEC may exercise any of its administrative functions as required to give effect to this funding mechanism before 1 January 2019.

Available funding

8. The total amount of government funding that can be spent under this funding mechanism will be set through the Government's annual budget processes.

Funding for provision at level 3 and above per sub-sector

9. The TEC must allocate SAC funding paid under this funding mechanism to each tertiary education subsector in accordance with the funding minimums set out in Appendix One.

10. The TEC may allocate any remaining SAC funding payable under this funding mechanism without reference to subsector.

Flexible funding

11. The TEC must establish criteria, based on minimum thresholds for organisational and educational performance, for determining under which circumstances a TEO qualifies for the additional funding described in paragraph 14 (a "qualifying TEO").

12. However, a TEO is not a qualifying TEO unless the minimum number of equivalent full-time students (EFTS) that it is approved by TEC to deliver is 20 EFTS.

13. The TEC must allocate additional funding, over and above that approved through investment plans, to qualifying TEOs in the following circumstances:

a. if the TEO is a:
   i. a tertiary education institution (TEI); or
   ii. a rural education activities programme (REAP) provider,

the value of provision actually delivered by the TEO, as measured in dollars, is greater than the value of their approved funding allocation; or

b. if the TEO is a private training establishment (PTE), the value of provision actually delivered by the PTE, as measured in dollars, that is specified in the qualifying TEO's funding approval (being the value of provision measured in dollars for which TEC allocates funding and the value of provision measured in dollars for which TEC does not allocate funding) is exceeded.
14. If a qualifying TEO meets the criteria specified in paragraph 13, the TEC must pay the TEO up to the following limits, either:
   a. 2% of the qualifying TEO's approved funding allocation; or
   b. 10 EFTS,
      whichever is greater.

15. The TEC may establish criteria to allocate funding above the additional funding limits specified in paragraph 14, provided the TEC has assessed whether the funding available is sufficient for TEC to provide funding above these limits.

**TEC administrative responsibility in the case of under-funding**

16. If a TEO receives funding under this funding mechanism that is less than it should have been, or than what it was entitled to receive, the TEC must treat the amount of the under-funding as a credit and pay the amount of the under-funding as soon as reasonably practicable.

**Funding formula and rate(s)**

17. The TEC allocates SAC funding under this funding mechanism for the relevant programmes and activities at level 3 and above on the NZQF which are specified in a TEO's proposed investment plan or equivalent arrangement.

18. For the purposes of calculating the value of a TEO's approved SAC funding, the TEC must use a metric comprising:
   a. the number of valid domestic student enrolments, measured in EFTS; and
   b. the qualifications, and their component courses, in which students are enrolled, and the assigned course classifications, funding categories, and funding rates of those qualifications and component courses.

**Valid domestic enrolments**

19. For the purpose of this funding mechanism, the term "valid domestic enrolment" refers to the enrolment of a student who is:
   a. one of the following:
      i. a domestic student\(^2\); or
      ii. an Australian citizen or Australian permanent resident currently residing in New Zealand; and
   b. either:

\(^2\) For the definition of domestic student, refer to section 159 of the Act.
i. aged 16 years and over; or

ii. aged under 16 years and meets the criteria determined by the TEC; and

c. studying in New Zealand, unless the student meets the criteria in paragraph 22; and

d. has paid or committed to pay their fees (if fees apply).

20. The TEC must establish criteria for determining under which circumstances a student can be considered to be a valid domestic enrolment, where he or she:

a. is aged under 16 years; or

b. has not paid their fees (if fees apply).

21. The TEC must establish the requirements that TEOs must comply with to verify each student’s identity, and confirm that a student is a valid domestic enrolment.

Eligibility for students studying outside of New Zealand

22. A student studying outside of New Zealand is a valid domestic enrolment only if:

a. the student is:

   i. a domestic student as defined by section 159 of the Act, including regulations made under section 159(4) of the Act; and

   ii. enrolled in a course(s) leading to the award of a recognised qualification offered by a New Zealand TEO; and

b. the student meets the following criteria if they are studying at an overseas campus or delivery site (irrespective of whether they are enrolled at the TEO’s New Zealand campus or overseas campus):

   i. enrolled at a New Zealand TEO in a programme leading to the award of a qualification at level 7 or above on the NZQF; and

   ii. the study outside New Zealand is full-time and face-to-face (i.e. not an extramural enrolment) in an approved country identified on the Education New Zealand website; and

   iii. is undertaking part (but not all) of the programme outside New Zealand.

Inducements

23. Even if a student meets the criteria specified in paragraph 19, the enrolment is not a valid domestic enrolment for the purposes of this funding mechanism if it has been secured by way of an inducement.
24. An inducement may include a financial incentive or ongoing personal possession of physical items where they induce a student to enrol.

25. The TEC must establish criteria for determining what constitutes an inducement.

The metric

Measurement of enrolments

26. The TEC must measure valid domestic enrolments in units of EFTS. One (1.0) EFTS unit is defined as the student workload that would normally be carried out by a student enrolled full-time in a single academic or calendar year.

27. The TEC will determine the EFTS value of each qualification and its components based on published criteria. These criteria should reflect the principle that TEC, in setting EFTS values, will take into account both the inputs and the outputs of the learning process.

Course classification: “1-39 Classification Prescription”

28. A TEO must assign each of its courses to a course classification listed in Table 1, “Course Classification Prescription”, of Appendix 2. The content of the course (rather than its name) must determine the assignment.

29. The TEC must validate each TEO’s assignment of its courses to the appropriate course classification.

Funding categories

30. The TEC must assign each course classification to a funding category in accordance with Tables 2 and 3 of Appendix 2. Each category must have:
   a. an alphabetic code, which applies to groups of courses according to their course classifications; and
   b. a numeric code that reflects the level of study.

31. In relation to course classification #22.1, “Vocational Training for Industry”, the TEC must categorise courses according to their subject content.

32. The funding category codes are set out in Table 2, “Funding categories: alphabetic code” of Appendix 2, and Table 3, “Funding categories: numeric code” of Appendix 2.

Funding rates

33. The TEC must apply the per-EFTS funding rates for TEOs, as set out in Table 4, “Funding rates” of Appendix 2.

TEO eligibility

34. The TEC may only fund a TEO under this funding mechanism if the TEO is one of the following:
a. a TEI, namely:
   i. a university;
   ii. an institute of technology and polytechnic (ITP);
   iii. a wānanga; or
b. a PTE; or
c. a REAP provider.

**TEO quality assurance**

35. To be eligible for funding under this funding mechanism, a TEO must be quality assured by:
   a. the NZQA, if the TEO is an ITP, a wānanga, a PTE, or REAP provider; or
   b. the New Zealand Vice-Chancellors’ Committee, if the TEO is a university.

**Eligibility of students**

36. The TEC must ensure that the SAC funding paid to a TEO under this funding mechanism is only used for programmes of study or training for valid domestic student enrolments, as defined in paragraphs 19 to 21.

**Eligible programmes and qualifications**

**General matters**

37. The TEC must ensure that the SAC funding paid to a TEO under this funding mechanism, is only used for a course that:
   a. is part of a programme that:
      i. leads to the award of a qualification at level 3 to 10 on the NZQF; and
      ii. has been quality assured by either NZQA or the New Zealand Vice-Chancellors’ Committee (where appropriate); or
   b. is part of a training scheme that:
      i. leads to an award that is not a qualification listed on the NZQF; and
      ii. has been quality assured.

38. The TEC must publish criteria for determining whether a training scheme has been quality assured.

39. The TEC must restrict the availability of training schemes, including certificates of personal interest and certificates of proficiency, by developing criteria limiting the eligibility of related courses or programmes for SAC funding at level 3 and above on the NZQF.
Specific matters

Health-related professional qualifications

40. The TEC may allow SAC funding paid to a TEO under this funding mechanism to be used for courses that are part of a programme leading to the award of a post-entry health-related professional qualification that:

a. is of an academic or research nature; and
b. has a clinical component of 30% or less within the total qualification.

41. The TEC must ensure that SAC funding paid to a TEO under this funding mechanism is not used for courses that are part of a programme leading to the award of a post-entry health-related professional qualification that has:

a. a clinical component of more than 30% within the total qualification; and
b. either:
   i. a requirement for clinical education and training; or
   ii. an emphasis on specialist clinical professional skills.

Health and safety and regulatory compliance learning

42. The TEC must ensure that SAC funding paid to a TEO under this funding mechanism is not used for a programme of study or training where the TEC considers on reasonable grounds that a majority of the programme of study or training relates to health and safety or regulatory compliance learning.

Cap on high-cost provision

43. The TEC must ensure that SAC funding paid under this funding mechanism is not used for specified high-cost provision across all sub-sectors above the following caps:

a. aviation (qualifications that includes an in-flight training component): 450 EFTS;
b. dentistry (intermediate) year 1 intake: 60 EFTS;
c. medical undergraduate year 1 intake: 539 EFTS;
d. specialist large animal science total enrolment over all years: 70 EFTS;
e. veterinary science year 1 intake: 100 EFTS.

44. The TEC must ensure that 10 EFTS of the dentistry (intermediate) year 1 intake are used for students of rural origin, as defined by the TEC.

45. The TEC must ensure that SAC funding paid to a TEO under this funding mechanism does not exceed a maximum EFTS value of 4 EFTS for doctoral study.
PART TWO: FUNDING CONDITIONS

46. The TEC must impose the following specific conditions on funding provided to each TEO under this funding mechanism.

Tertiary Education Organisations

47. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism must meet, and for the length of the funding period continue to meet, all of the eligibility criteria specified in paragraphs 34 and 35 of this funding mechanism.

48. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism must:
   a. not subcontract any of the funded activities without the prior written consent of the TEC; and
   b. comply with any conditions imposed by the TEC on a consent to subcontract; and
   c. ensure that a subcontracted party does not further subcontract any functions; and
   d. remain accountable for the use of the funding.

Students and enrolments

49. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism must ensure that each eligible student meets and continues to meet the criteria specified in paragraph 36 of this funding mechanism.

50. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism must not:
   a. restrict enrolment in programmes and training schemes funded under this funding mechanism on the basis of private advantage (for example, enrolment being restricted to the TEO’s employees only); or
   b. secure or seek to secure a valid domestic enrolment through offering of an inducement, as specified in paragraphs 23 to 25.

51. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism must verify a student’s identity, and confirm that a student is a valid domestic enrolment in accordance with the requirements developed by the TEC.

Reporting withdrawals to Ministry of Social Development

52. The TEC must attach a condition of funding that a TEO that receives funding under this mechanism report the withdrawal of students to the Ministry of Social Development within five working days of each withdrawal. This is to enable student loans and student allowances to be cancelled as soon as possible.
Courses, programmes and qualifications

53. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism must ensure that a course in which an eligible student is enrolled meets and continues to meet the criteria specified in paragraph 37 of this funding mechanism.

54. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism to fund provision that leads to a qualification where a majority of the courses in the qualification relate to health and safety or regulatory compliance.

High-cost provision

55. If the TEC allocates funding to a TEO for high-cost provision, the TEC must attach the following condition or conditions to funding:

All high-cost provision

56. A TEO must not use funding provided under this funding mechanism to fund high-cost provision, as specified in paragraph 43, above the volume of EFTS for that provision at the TEO that the TEC has agreed to fund.

Aviation

57. A TEO that is allocated EFTS for aviation provision that includes an in-flight training component (pilot training) must supply the Ministry of Social Development with the correct student enrolment information, through the Verification of Study system, that ensures that:

a. annual student loan fee borrowing for any pilot training student does not exceed:
   i. $35,000 per EFTS, if not eligible for Fees-Free Tertiary Education, as set out in paragraphs 63 and 64 and in any delegation to the TEC in force relating to the funding of Fees-Free Tertiary Education and issued under section 159F(1)(e) of the Act; or
   ii. $35,000 per EFTS, less the amount payable to a TEO by the TEC on behalf of the student for fees in accordance with criteria set out in paragraphs 63 and 64 and in any delegation to the TEC in force relating to the funding of Fees-Free Tertiary Education and issued under section 159F(1)(e) of the Act; and

b. where a pilot training student is studying part-time, annual student loan fee borrowing does not exceed the proportion of $35,000 that is represented by the proportion of an EFTS course load that is being undertaken by the student, less any fees payment made by the TEC on behalf of the student (as set out in paragraphs 63 and 64 and in any delegation to the TEC in force relating to the funding of Fees-Free Tertiary Education). For example, if a student is studying 0.4 EFTS in the year, the student loan borrowing limit will be $14,000. For those eligible for the Fees-Free Tertiary Education payment, the student loan borrowing limit for 0.4 EFTS in the year would be $14,000, less the amount payable to a TEO by TEC on behalf of the student for fees.
Dentistry (intermediate) year 1 intake

58. A TEO that is allocated EFTS for the dentistry (intermediate) year 1 intake for students of rural origin must only use the funding in respect of students who are of rural origin.

Fees and associated course costs

59. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism:

a. must pay for the necessary equipment, infrastructure and hardware required to deliver a particular course or qualification\(^3\); and

b. in relation to the provision of essential equipment, including computers, diving hardware, and chainsaws, must not:

i. include the costs in any fees, compulsory course costs, or compulsory student services fees, charged to students; or

ii. require the costs to be met through the “course-related costs” component of the Student Loan Scheme, as a condition of enrolment for students; and

c. must not meet the costs of overseas travel for students through the use of funding obtained under this funding mechanism or via the Student Loan Scheme, unless the overseas travel is academically essential.

60. For the purposes of paragraph 59(c) of this funding mechanism, the TEC must develop guidelines determining when overseas travel is academically essential.

61. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism must comply with the Annual Maximum Fee Movement, as specified in Part Three of this funding mechanism.

62. Any limits on fees for further years will be determined by way of a variation to the funding mechanism.

Fees-Free Tertiary Education

63. The TEC must attach to funding a condition that a TEO must not charge an eligible student an amount in respect of fees (as defined by any delegation to the TEC in force relating to the funding of Fees-Free Tertiary Education and issued under section 159F(1)(e) of the Act) otherwise payable by the student if the TEC has advised the TEO that the TEC will:

a. if the TEO is not a PTE, pay that amount to the TEO in respect of fees on behalf of the student; or

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\(^3\) The phrase “equipment, infrastructure and hardware” refers to those items that can be used by successive intakes of students. It does not include personal items which are provided for individual student use and which the TEO does not retain for the next intake of students.
b. if the TEO is a PTE, compensate the PTE for that amount in respect of fees forgone as a result of the condition required to be imposed under this paragraph.

64. For the purposes of the condition that the TEC must impose under paragraph 63, the TEC must determine each amount payable to a TEO by the TEC in accordance with criteria set out in any delegation to the TEC in force relating to the funding of Fees-Free Tertiary Education and issued under section 159F(1)(e) of the Act.

65. Each TEO must work collaboratively with the TEC to give effect to the Fees-Free Tertiary Education initiative. In particular, the TEO must provide information as required by the TEC, to enable the TEC to understand the EFTS consumption of eligible students, and in relation to fees.

66. Any fees in excess of the amount payable by the TEC under paragraphs 63 and 64 may be charged by the TEO to the student.

TEO responsibilities

67. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism must:

   a. accurately assign each of its courses to a course classification listed in Table 1, "Course Classification Prescription" of Appendix 2 of this funding mechanism; and

   b. meet minimum performance standards specified by the TEC.

No other funding

68. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism must:

   a. not (without the TEC's prior written consent) seek or obtain funding from any Crown source other than the TEC to fund a programme or training scheme which is funded under this funding mechanism; and

   b. notify the TEC immediately if it becomes aware of any circumstances that might result in a breach of sub-paragraph (a) of this condition.

Responsible use of funding

69. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism must use the funding:

   a. lawfully, responsibly, and for the purposes for which it is provided; and

   b. in a manner consistent with the appropriate use of public funds.

Recovery of over-funding

70. The TEC must attach to funding a condition that if a TEO receives funding under this funding mechanism that is greater than it should have been, or that it
was not entitled to receive, the TEO must treat the amount of the over-funding as a debt due to the Crown that:

a. is repayable on demand; and

b. may be set-off against all or any funding, or any sum of money payable by the TEC to the TEO.

71. The TEC must provide the TEO with reasonable notice before exercising its right to demand repayment or set-off the debt against all or any funding.

72. For the purposes of this condition, a TEO will have received funding that was "greater than it should have been" if the total dollar value of the provision funded under this funding mechanism that is delivered by a TEO within a funding year is less than 99% of the total dollar value for the provision paid to the TEO under this funding mechanism.

73. In that situation, the percentage of funding that is repayable is equal to the difference between the bottom of the tolerance band (99%) and the percentage value of the provision that was delivered.

**Repayment of funding following revocation of funding approval**

74. The TEC must attach to funding a condition that if, in accordance with section 159YG of the Act, the TEC suspends or revokes some or all of a TEO's funding paid under this funding mechanism before that funding has been used or contractually committed towards the purposes for which that funding was provided, then the TEO must treat the unexpended or uncommitted portion of the funding as a debt due to the Crown and is:

a. repayable on demand; and

b. may be set-off against all or any funding, or any sum of money payable by the TEC to the TEO.

**Disclosure of data from Statistics New Zealand's Integrated Data Infrastructure**

75. The TEC must attach to funding a condition that a TEO consents, for the purposes of section 37A(a) of the Statistics Act 1975, to Statistics New Zealand disclosing information to the Ministry of Education and the TEC from its Integrated Data infrastructure that identifies, or may identify, the TEO.

76. The TEC must inform TEOs that the Statistics Act 1975 does not constrain the ongoing use or sharing of the TEO-level data once it is disclosed.

**Specific conditions that the TEC must attach to funding for TEIs funded under this funding mechanism**

77. The following specific conditions must be attached to funding provided to TEIs under this funding mechanism.
Enrolment

78. The TEC must attach to funding a condition that a TEI must keep accurate and up-to-date records of valid domestic enrolments in accordance with the requirements developed by the TEC.

Benchmarking

79. The TEC must attach to funding a condition that a TEI must participate as appropriate in benchmarking, including:

a. providing the vendor with financial and performance information as requested, in a timely manner; and

b. engaging with the vendor over follow-up questions and related quality assurance processes, in a timely manner; and

c. contributing to the cost of the agreement between the TEC and the vendor, at a rate determined by the TEC.
PART THREE: THE ANNUAL MAXIMUM FEE MOVEMENT

General

80. The conditions in Part Three of this funding mechanism apply to fees and course costs (together referred to as “fees”) charged by TEOs for a SAC-funded course that is part of a programme that leads to a qualification at level 3 or above on the NZQF.

81. Fees associated with a particular course are subject to these conditions if:
   a. the TEO is the sole source of the item to which the fee relates; and
   b. all domestic students validly enrolled in the course are required to pay the fees.

Definition

82. “Fees” are defined as:
   a. tuition fees and
   b. compulsory course costs, which may only include examination fees, material charges, costs of field trips, costs associated with the compulsory purchase of equipment or books through a TEO, and other charges associated with a course.

Annual Maximum Fee Movement

83. The annual maximum fee movement (AMFM) for 2019 is a 2% increase on the fees (GST exclusive) charged in 2018, for a course at level 3 and above on the NZQF, for which a TEO receives SAC funding, and which is part of a programme leading to qualifications listed on the NZQF4.

New courses

84. The AMFM applies to any new courses established by a TEO in substitution for an existing course dealing with the same or similar subject matter, at a same or similar level on the NZQF, for which funding under this funding mechanism can be used.

Exceptions to the AMFM

85. A TEO may apply for an exception to the AMFM for a SAC-funded course that is part of a programme that leads to a qualification at level 3 or above on the NZQF on the basis of exceptional circumstances (listed below in paragraphs 87 (a)-(d)).

86. The TEC may grant an exception to the AMFM for one or more of a TEO’s courses; however, any exception granted must not exceed an additional 2% increase over and above the permitted 2% increase.

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4 For the avoidance of doubt, the AMFM also applies to professional masters programmes.
87. In considering whether or not there are exceptional circumstances, the TEC must only have regard to the following criteria:

a. the TEO is unable to support the course while remaining financially viable; and

b. for a course which is part of a programme leading to a qualification at level 3 to 8 on the NZQF, the completion rate for the qualification met or exceeded the median performance benchmark for that level in the previous year; and

c. the TEO can demonstrate that the course is in some way unique or special, for example, that there are no available local alternatives to the course; and

d. not allowing an exception will prevent the TEO from making a significant contribution to the achievement of one or more of the Government’s priorities, as set out in the Tertiary Education Strategy.

88. The TEC must only grant an exception if it is satisfied that the TEO meets all of the above criteria.

Zero fee or low fee courses

89. If the fees for a SAC-funded course that is part of a programme that leads to a qualification at level 3 or above on the NZQF were less than $511.11 (GST inclusive) or $444.44 (GST exclusive) per EFTS in the previous year, then a TEO may increase the fee by the greater of:

a. up to $511.11 (GST inclusive) or $444.44 (GST exclusive) per EFTS; or

b. 2%.
APPENDIX 1: FUNDING MINIMUMS FOR SAC-FUNDED PROVISION RELATING TO QUALIFICATIONS AT LEVELS 3 AND ABOVE ON THE NEW ZEALAND QUALIFICATIONS FRAMEWORK

The funding minimums for SAC-funded provision relating to qualifications at levels 3 and above on the NZQF, to be allocated by subsector, represent 90% of the total available for each subsector.

The TEC may allocate the remainder of the funding available for provision relating to qualifications at levels 3 and above on the NZQF, without reference to subsector.

Table 1: Funding Minimums by Subsector

<table>
<thead>
<tr>
<th>Subsector</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universities</td>
<td>$1,088.61</td>
</tr>
<tr>
<td>Institutes of Technology and Polytechnics</td>
<td>$430.20</td>
</tr>
<tr>
<td>Wānanga</td>
<td>$109.68</td>
</tr>
<tr>
<td>Private Training Establishments</td>
<td>$165.96</td>
</tr>
<tr>
<td>Total Student Achievement Component by sub-sector</td>
<td>$1,794.44</td>
</tr>
<tr>
<td>All sub-sectors</td>
<td>$199.38</td>
</tr>
<tr>
<td>Total Student Achievement Component (Levels 3 and above)</td>
<td>$1,993.82</td>
</tr>
</tbody>
</table>
# APPENDIX 2: CALCULATION OF SAC FUNDING

## Table 1: Course Classification Prescription

<table>
<thead>
<tr>
<th>#</th>
<th>Course Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>#01</td>
<td>Agriculture; Horticulture</td>
</tr>
<tr>
<td>#02</td>
<td>Architecture; Quantity Surveying</td>
</tr>
<tr>
<td>#03</td>
<td>Arts; Advanced Studies for Teachers; Health Therapies; Humanities; Languages; Social Sciences</td>
</tr>
<tr>
<td>#03.1</td>
<td>Osteopathy; Acupuncture</td>
</tr>
<tr>
<td>#04</td>
<td>Business; Accountancy; Office Systems/Secretarial; Management</td>
</tr>
<tr>
<td>#05.2</td>
<td>General Education</td>
</tr>
<tr>
<td>#06</td>
<td>Computer Science</td>
</tr>
<tr>
<td>#07</td>
<td>Dentistry</td>
</tr>
<tr>
<td>#11</td>
<td>Engineering; Technology</td>
</tr>
<tr>
<td>#11.1</td>
<td>Priority Engineering</td>
</tr>
<tr>
<td>#11.2</td>
<td>Pilot Training</td>
</tr>
<tr>
<td>#12</td>
<td>Fine Arts; Design</td>
</tr>
<tr>
<td>#13</td>
<td>Health Sciences (excluding classifications #07, #15, and #17)</td>
</tr>
<tr>
<td>#13.1</td>
<td>Optometry</td>
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<tr>
<td>#14</td>
<td>Law</td>
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<tr>
<td>#15</td>
<td>Medicine (excluding intermediate/first year)</td>
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<td>#16</td>
<td>Music and Performing Arts</td>
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<td>Health Related Professions</td>
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<td>#17.3</td>
<td>Dental Therapy</td>
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<td>#18</td>
<td>Science</td>
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<td>#19.1</td>
<td>Teaching: Early Childhood Education</td>
</tr>
<tr>
<td>#19.2</td>
<td>Teaching: Primary</td>
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<tr>
<td>#20</td>
<td>Teaching: Secondary</td>
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<tr>
<td>#21</td>
<td>Trades 1</td>
</tr>
<tr>
<td>#22</td>
<td>Trades 2</td>
</tr>
<tr>
<td>#22.1</td>
<td>Vocational Training for Industry</td>
</tr>
<tr>
<td>#23</td>
<td>Veterinary Science</td>
</tr>
<tr>
<td>#23.3</td>
<td>Veterinary Science Undergraduate (Years 3, 4 &amp; 5)</td>
</tr>
<tr>
<td>#24</td>
<td>Nursing</td>
</tr>
<tr>
<td>#25</td>
<td>Medical Imaging</td>
</tr>
<tr>
<td>#27</td>
<td>Midwifery (3 year)</td>
</tr>
<tr>
<td>#28</td>
<td>Occupational Therapy</td>
</tr>
<tr>
<td>#29</td>
<td>Physiotherapy</td>
</tr>
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<td>#30</td>
<td>Medical Radiation Therapy</td>
</tr>
<tr>
<td>#31</td>
<td>Pharmacy Professionals</td>
</tr>
<tr>
<td>#32</td>
<td>Speech Language Therapy</td>
</tr>
<tr>
<td>#33</td>
<td>Medical Laboratory Science</td>
</tr>
<tr>
<td>#34</td>
<td>Clinical Psychology</td>
</tr>
<tr>
<td>#35</td>
<td>Audiology</td>
</tr>
<tr>
<td>#36</td>
<td>Dietetics</td>
</tr>
<tr>
<td>#37</td>
<td>Medicine Undergraduate (Years 4, 5 &amp; 6)</td>
</tr>
<tr>
<td>#38</td>
<td>Foreign-Going Nautical</td>
</tr>
<tr>
<td>#39</td>
<td>Specialist Large Animal Science</td>
</tr>
</tbody>
</table>
Table 2: Funding categories: alphabetic code

<table>
<thead>
<tr>
<th>Category (alphabetic)</th>
<th>Relevant discipline and course classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Arts [#03], Social Sciences [#03], General Education [#5.2], Vocational Training for Industry [#22.1]</td>
</tr>
<tr>
<td>B</td>
<td>Architecture (non-degree) [#02], Computer Science [#06], Fine Arts [#12], Design [#12], Music and Performing Arts [#16], Health Related Professions [#17], Vocational Training for Industry [#22.1], Medical Imaging [#25], Occupational Therapy [#28], Clinical Psychology [#34]</td>
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<tr>
<td>C</td>
<td>Architecture (degree) [#02], Engineering [#11], Technology [#11], Health Sciences [#13], Vocational Training for Industry [#22.1], Midwifery (3 year) [#27], Physiotherapy [#29], Speech Language Therapy [#32], Medical Laboratory Science [#33], Audiology [#35]</td>
</tr>
<tr>
<td>D</td>
<td>Dentistry (postgraduate only) [#7], Medicine (postgraduate only) [#15]</td>
</tr>
<tr>
<td>E</td>
<td>Agriculture (degree) [#01], Horticulture (degree) [#01], Specialist Large Animal Science [#39]</td>
</tr>
<tr>
<td>F</td>
<td>Teaching [#19.1, #19.2, #20]</td>
</tr>
<tr>
<td>G</td>
<td>Business [#04], Accountancy [#04], Law [#14], Vocational Training for Industry [#22.1]</td>
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<tr>
<td>H</td>
<td>Agriculture (non degree) [#01], Horticulture (non degree) [#01], Osteopathy [#03.1], Acupuncture [#03.1], Vocational Training for Industry [#22.1], Nursing [#24]</td>
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<tr>
<td>I</td>
<td>Pilot Training [#11.2], Optometry [#13.1], Dental Therapy [#17.3], Pharmacy [#31]</td>
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<tr>
<td>J</td>
<td>Priority Engineering [#11.1], Dietetics [#36]</td>
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<td>K</td>
<td>Medical Radiation Therapy [#30]</td>
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<td>L</td>
<td>Trades 2 [#22], Vocational Training for Industry [#22.1]</td>
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<td>M</td>
<td>Veterinary Science [#23], Veterinary Science (years 3–5) [#23.3]</td>
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<td>N</td>
<td>Dentistry undergraduate (years 2–5) [#07]</td>
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<td>O</td>
<td>Foreign-Going Nautical [#38]</td>
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<td>P</td>
<td>Medicine undergraduate (years 2-3) [#15]</td>
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<td>Medicine undergraduate (years 4–6) [#37]</td>
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<td>R</td>
<td>Science [#18]</td>
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Table 3: Funding categories: numeric code

<table>
<thead>
<tr>
<th>Category (numeric)</th>
<th>Classification by level and content of study</th>
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<tbody>
<tr>
<td>1</td>
<td>Courses designed for non-degree qualifications with no research requirement, including certificates and diplomas</td>
</tr>
<tr>
<td>2</td>
<td>Courses designed for undergraduate degree qualifications, including bachelors degrees, graduate certificates and diplomas</td>
</tr>
<tr>
<td>3</td>
<td>Courses designed for taught postgraduate qualifications, including postgraduate certificates and diplomas, bachelors degrees with honours, and taught masters papers</td>
</tr>
<tr>
<td>4</td>
<td>Research-based postgraduate qualifications, including masters' theses/dissertations of 1.0 EFTS or more for masters and doctoral study</td>
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Table 4: Funding rates

<table>
<thead>
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<th></th>
<th>1</th>
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DETERMINATION OF DESIGN OF FUNDING MECHANISM: INFORMATION AND COMMUNICATIONS TECHNOLOGY GRADUATE SCHOOLS

PRELIMINARY PROVISIONS

Statutory authority

1. This determination, which is made under section 159L of the Education Act 1989 (the Act), specifies the design of the funding mechanism for Information and Communications Technology (ICT) Graduate Schools (the funding mechanism).

2. This determination incorporates the supplementary determinations issued on 19 December 2016 and 4 September 2017.

Purpose

3. The purpose of ICT Graduate Schools is to deliver industry-focused ICT education, and ICT research and development, built on connections between tertiary education providers and businesses.

4. Funding paid under this funding mechanism comprises:

   a. Student Achievement Component (SAC) funding, to contribute towards the provision of teaching and learning services for students enrolled in ICT Graduate Schools (ICT SAC funding); and

   b. funding to contribute towards the costs of establishing ICT Graduate Schools (ICT establishment funding); and

   c. funding to support the agreed outcomes of ICT Graduate Schools (ICT outcomes funding), including research and industry collaboration undertaken in ICT Graduate Schools and non ICT SAC-funded and non SAC-funded ICT teaching and learning activities.

Off-plan funding

5. The Tertiary Education Commission (TEC) must pay funding allocated under this funding mechanism under section 159ZC of the Act.
PART ONE: THE FUNDING MECHANISM

General parameters

Effective period dates

6. This funding mechanism is to fund provision from 1 January 2019.

7. The TEC may exercise any of its administrative functions as required to give effect to this funding mechanism before 1 January 2019.

Available funding

8. The total amount of government funding that can be spent under this funding mechanism will be set through the Government’s annual budget processes.

Eligibility and selection of ICT Graduate Schools

9. The TEC must select, through a competitive process determined by the TEC, tertiary education organisation (TEOs) and/or consortia to operate one or more ICT Graduate Schools.

10. A consortium must include a TEO that meets the eligibility criteria in paragraphs 11 and 12 of this funding mechanism and that is nominated as the ‘lead TEO’. A consortium may include TEOs or other organisations (such as employers and industry bodies) and must include at least one TEO or other organisation in addition to the lead TEO. A reference to an ICT Graduate School in the subsequent paragraphs of this funding mechanism is a reference to all TEOs or other organisations that are members of a consortium, including the lead TEO.

11. If the TEC selects a consortium to operate one or more ICT Graduate Schools, the TEC must pay funding under this funding mechanism to the lead TEO. In this funding mechanism, any reference to a TEO includes a reference to a lead TEO of a consortium.

12. The TEC may only fund a TEO under this funding mechanism if that TEO is one of the following:

a. a tertiary education institution (TEI), namely:

i. a university; or

ii. an institute of technology and polytechnic (ITP); or

iii. a wānanga; or

b. a private training establishment (PTE).

TEC administrative responsibility in the case of under-funding

13. If a TEO receives funding under this funding mechanism that is less than it should have been, or than what it was entitled to receive, the TEC must treat the amount of the under-funding as a credit and pay the amount of the under-funding as soon as reasonably practicable.
**TEO quality assurance**

14. To be eligible for funding under this funding mechanism, a TEO must be quality assured by:
   
a. the New Zealand Qualifications Authority (NZQA), if the TEO is an ITP, a wānanga, or a PTE; or
   
b. the New Zealand Vice-Chancellors’ Committee, if the TEO is a university.

**ICT Student Achievement Component (SAC) funding**

15. The TEC allocates ICT SAC funding under this funding mechanism for programmes of study at ICT Graduate Schools (ICT SAC-funded activities).

16. For the purposes of calculating the amount of ICT SAC funding to be allocated to a TEO under this funding mechanism, the TEC must use the metric set out in the *Determination of Design of Funding Mechanism: Student Achievement Component – provision at Level 3 and above on the New Zealand Qualifications Framework* (funding mechanism for SAC Level 3+) in effect from 1 January 2019.

17. For the avoidance of doubt, the metric is as follows:
   
a. the number of valid domestic enrolments, measured in equivalent full-time students (EFTS); and
   
b. the qualifications, and their component courses, in which students are enrolled, and the assigned course classifications, funding categories, and funding rates of those qualifications and component courses.

**Valid domestic enrolments**

18. For the purpose of this funding mechanism, the term "valid domestic enrolment" refers to the enrolment of a student who is:
   
a. one of the following:
      
i. a domestic student; or
      
ii. an Australian citizen or Australian permanent resident currently residing in New Zealand; or
   
b. either:
      
i. aged 16 years and over; or
      
ii. aged under 16 years and meets the criteria determined by the TEC; and
   
c. studying in New Zealand, unless the student meets the criteria in paragraph 21; and
   
d. has paid or committed to pay their fees (if fees apply).

19. The TEC must establish criteria for determining under which circumstances a

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1 For the definition of domestic student, refer to section 159 of the Act.
student can be considered to be a valid domestic enrolment, where he or she:

a. is aged under 16 years; or

b. has not paid their fees (if fees apply).

20. The TEC must establish the requirements that TEOs must comply with to verify each student’s identity, and confirm that a student is a valid domestic enrolment.

Eligibility for students studying outside of New Zealand

21. A student studying outside of New Zealand is a valid domestic enrolment only if:

a. the student is:
   i. a domestic student as defined by section 159 of the Act, including regulations made under section 159(4) of the Act; and
   ii. enrolled in a course(s) leading to the award of a recognised qualification offered by a New Zealand TEO; and

b. the student meets the following criteria if they are studying at an overseas campus or delivery site (irrespective of whether they are enrolled at the TEO’s New Zealand campus or overseas campus):
   i. enrolled at a New Zealand TEO in a programme leading to the award of a qualification at level 7 or above on the NZQF; and
   ii. the study outside New Zealand is full-time and face-to-face (i.e. not an extramural enrolment) in an approved country identified on the Education New Zealand website; and
   iii. is undertaking part (but not all) of the programme outside New Zealand.

Inducements

22. Even if a student meets the criteria specified in paragraph 18, the enrolment is not a valid domestic enrolment for the purposes of this funding mechanism if it has been secured by way of an inducement.

23. For the purposes of this funding mechanism, an "inducement" may include a financial incentive or ongoing personal possession of physical items where they induce a student to enrol.

24. The TEC must establish criteria for determining what constitutes an inducement.

The metric

Measurement of enrolments

25. The TEC must measure valid domestic enrolments in units of EFTS. One (1.0) EFTS unit is defined as the student workload that would normally be carried out by a student enrolled full-time in a single academic or calendar year.
26. The TEC will determine the EFTS value of each qualification and its components based on published criteria. These criteria should reflect the principle that TEC, in setting EFTS values, will take into account both the inputs and the outputs of the learning process.

Course classification: “1-39 Classification Prescription”

27. A TEO must assign each of its courses to a course classification listed in Table 1, “Course Classification Prescription”, of Appendix 1. The content of the course (rather than its name) must determine the assignment.

28. The TEC must validate each TEO’s assignment of its courses to the appropriate course classification.

Funding categories

29. The TEC must assign each course classification to a funding category in accordance with Tables 2 and 3 of Appendix 1. Each category must have:
   a. an alphabetic code, which applies to groups of courses according to their course classifications; and
   b. a numeric code that reflects the level of study.

30. In relation to course classification #22.1, ‘Vocational Training for Industry’, the TEC must categorise courses according to their subject content.

31. The funding category codes are set out in Table 2, “Funding categories: alphabetic code” of Appendix 1, and Table 3, “Funding categories: numeric code” of Appendix 1.

Funding rates

32. The TEC must apply the per-EFTS funding rates for TEOs as set out in Table 4, “Funding rates” of Appendix 1.

Eligibility of students

33. The TEC must ensure that ICT SAC funding paid to a TEO under this funding mechanism is only used for programmes of study for valid domestic enrolments, as defined in paragraphs 18 to 20 of this funding mechanism.

Eligible programmes and qualifications

General matters

34. The TEC must ensure that the ICT SAC funding paid to a TEO under this funding mechanism is only used for a course that:
   a. is part of a programme that is eligible to be provided by an ICT Graduate School; and
   b. is provided by an ICT Graduate School; and
   c. leads to the award of a qualification at level 3 or above on the NZQF; and
35. For the purposes of paragraph 34(a) of this funding mechanism, the TEC must establish criteria for determining what programmes are eligible to be provided by an ICT Graduate School.

Specific matters

36. The TEC must ensure that ICT SAC funding paid to a TEO under this funding mechanism is not used for a programme of study where the TEC considers on reasonable grounds that a majority of the programme of study relates to health and safety or regulatory compliance learning.

37. The TEC must ensure that SAC funding paid to a TEO under this funding determination does not exceed a maximum EFTS value of 4 EFTS for doctoral study.

Funding for the establishment of schools and to support the agreed outcomes of ICT Graduate Schools

38. The TEC must establish criteria for allocating to TEOs:
   a. ICT establishment funding; and
   b. ICT outcomes funding.

39. The TEC must ensure that ICT establishment funding and ICT outcomes funding paid to a TEO under this funding mechanism are not used to contribute towards the costs of ICT SAC-funded activities.
PART TWO: FUNDING CONDITIONS

General conditions

40. The TEC, in funding an eligible TEO under this funding mechanism under section 159ZC of the Act, may impose any conditions on funding that it considers necessary, including, without limitation, conditions for ensuring that funding will achieve the purpose for which it has been provided.

Conditions that the TEC must attach to funding

Tertiary Education Organisations

41. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism must meet, and for the length of the funding period continue to meet, all of the eligibility criteria specified in paragraphs 12 and 14 of this funding mechanism.

42. The TEC must attach to funding a condition that a TEO that receives ICT SAC funding under this funding mechanism must:
   a. not subcontract any ICT SAC-funded activities without the prior written consent of the TEC; and
   b. comply with any conditions imposed by the TEC on a consent to subcontract ICT SAC-funded activities; and
   c. ensure that a party to whom ICT SAC-funded activities are subcontracted does not further subcontract any functions; and
   d. remain accountable for the use of any ICT SAC funding that is subcontracted.

Students and enrolments

43. The TEC must attach to funding a condition that a TEO that receives ICT SAC funding under this funding mechanism must ensure that each eligible student meets and continues to meet the criteria specified in paragraph 33 of this funding mechanism.

44. The TEC must attach to funding a condition that a TEO that receives ICT SAC funding under this funding mechanism must not:
   a. restrict enrolment in programmes that are funded with ICT SAC funding under this funding mechanism on the basis of private advantage (for example, enrolment being restricted to the TEO’s employees only); and
   b. not secure or seek to secure a valid domestic enrolment through the offering of an inducement, as specified in paragraphs 22 to 24.

45. The TEC must attach to funding a condition that a TEO that receives ICT SAC funding under this funding mechanism must verify a student’s identity, and confirm that a student is a valid domestic enrolment in accordance with the requirements developed by the TEC.
Reporting withdrawals to Ministry of Social Development

46. The TEC must attach a condition of funding that a TEO that receives funding under this mechanism report the withdrawal of students to the Ministry of Social Development within five working days of each withdrawal. This is to enable student loans and student allowances to be cancelled as soon as possible.

Courses, programmes and qualifications

47. The TEC must attach to funding a condition that a TEO that receives ICT SAC funding under this funding mechanism must ensure that a course in which an eligible student is enrolled meets and continues to meet the criteria specified in paragraph 34 of this funding mechanism.

48. The TEC must attach to funding a condition that a TEO must not use funding paid under this funding mechanism to fund provision that leads to a qualification where a majority of the courses in the qualification relate to health and safety or regulatory compliance.

Fees and associated course costs

49. The TEC must attach to funding a condition that a TEO that receives ICT SAC funding under this funding mechanism:

a. must pay for the necessary equipment, infrastructure and hardware required to deliver a particular course or qualification; and

b. in relation to the provision of essential equipment, including computers, must not:

i. include the costs in any fees, compulsory course costs, or compulsory student services fees, charged to students; or

ii. require the costs to be met through the "course-related costs" component of the Student Loan Scheme, as a condition of enrolment for students; and

b. must not meet the costs of overseas travel for students through the use of funding obtained under this funding mechanism or via the Student Loan Scheme, unless the overseas travel is academically essential.

50. For the purposes of paragraph 49(c) of this funding mechanism, the TEC must develop guidelines determining when overseas travel is academically essential.

51. The TEC must attach to funding a condition that a TEO that receives ICT SAC funding under this funding mechanism must comply with the Annual Maximum Fee Movement, as specified in Part Three of this funding mechanism.

52. Any limits on fees for further years will be determined by way of a variation to the funding mechanism.

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2 The phrase “equipment, infrastructure and hardware” refers to those items that can be used by successive intakes of students. It does not include personal items which are provided for individual student use and which the TEO does not retain for the next intake of students.
**Fees-Free Tertiary Education**

53. The TEC must attach to funding a condition that a TEO must not charge an eligible student an amount in respect of fees (as defined by any delegation to the TEC in force relating to the funding of Fees-Free Tertiary Education and issued under section 159F(1)(e) of the Act) otherwise payable by the student if the TEC has advised the TEO that the TEC will:

   a. if the TEO is not a PTE, pay that amount to the TEO in respect of fees on behalf of the student; or

   b. if the TEO is a PTE, compensate the PTE for that amount in respect of fees forgone as a result of the condition required to be imposed under this paragraph.

54. For the purposes of the condition that the TEC must impose under paragraph 52, the TEC must determine each amount payable to a TEO by the TEC in accordance with criteria set out in any delegation to the TEC in force relating to the funding of Fees-Free Tertiary Education and issued under section 159F(1)(e) of the Act.

55. Each TEO must work collaboratively with the TEC to give effect to the Fees-Free Tertiary Education initiative. In particular, the TEO must provide information as required by the TEC, to enable the TEC to understand the EFTS consumption of eligible students, and in relation to fees.

56. Any fees in excess of the amount payable by the TEC under paragraphs 52 and 53 may be charged by the TEO to the student.

**TEO responsibilities**

57. The TEC must attach to funding a condition that a TEO that receives ICT SAC funding under this funding mechanism must accurately assign each of its courses to a course classification listed in Table 1, “Course Classification Prescription” of Appendix 1 of this funding mechanism.

58. The TEC must attach to funding a condition that a TEO that receives ICT SAC funding, ICT establishment funding, or ICT outcomes funding must meet minimum performance standards specified by the TEC.

59. The TEC must attach to funding a condition that a TEO that receives ICT establishment funding or ICT outcomes funding under this funding mechanism must not use that ICT establishment funding or ICT outcomes funding to contribute towards the costs of ICT SAC-funded activities.

**Lead TEO responsibilities**

60. The TEC must attach to funding a condition that the lead TEO of a consortium must enter into an arrangement, or arrangements, with each other member of the consortium that:

   a. enables the lead TEO to meet conditions of funding imposed by the TEC on the lead TEO; and

   b. imposes on each other member of the consortium obligations owed to the lead TEO that are similar to the lead TEO’s obligations in respect of any funding received under this funding mechanism; and
c. imposes on each other member of the consortium obligations to provide information to and fully cooperate with the lead TEO and the TEC, in order to verify the lead TEO's compliance with conditions of funding imposed by the TEC on the lead TEO.

61. The TEC must attach to funding a condition that the lead TEO of a consortium must not, without the prior written consent of the TEC, enter into any arrangement with another TEO, or end any arrangement with any other member of that consortium that is a TEO, that would have the effect of changing the membership of the consortium that the TEO leads.

No other funding

62. The TEC must attach to funding a condition that a TEO that receives ICT SAC funding under this funding mechanism must:

   a. not (without the TEC's prior written consent) seek or obtain funding from any Crown source other than the TEC to fund ICT SAC-funded activities; and

   b. notify the TEC immediately if it becomes aware of any circumstances that might result in a breach of sub-paragraph (a) of this condition.

Responsible use of funding

63. The TEC must attach to funding a condition that a TEO that receives any funding under this funding mechanism must use the funding:

   a. lawfully, responsibly, and for the purposes for which it is provided; and

   b. in a manner consistent with the appropriate use of public funds.

Recovery of over-funding

64. The TEC must attach to funding a condition that if a TEO receives any funding under this funding mechanism that is greater than it should have been, or that it was not entitled to receive, the TEO must treat the amount of the over-funding as a debt due to the Crown that:

   a. is repayable on demand; and

   b. may be set-off against all or any funding or any sum of money payable by the TEC to the TEO.

65. The TEC must provide the TEO with reasonable notice before exercising its right to demand repayment or set-off the debt against all or any funding.

66. For the purposes of this condition, a TEO will have received ICT SAC funding that was "greater than it should have been" if the total dollar value of the ICT SAC-funded provision funded under this funding mechanism that is delivered by the TEO, or in the case of a lead TEO, all of the members of that lead TEO's consortium, is less than the expected value in each of the contracted funding years.
**Repayment of funding following revocation of funding approval**

67. The TEC must attach to funding a condition that if, in accordance with section 159ZF of the Act, the TEC suspends or revokes some or all of a TEO's funding paid under this funding mechanism before that funding has been used or contractually committed towards the purposes for which that funding was provided, then the TEO must treat the unexpended or uncommitted portion of the funding as a debt due to the Crown that:

   a. is repayable on demand; and
   b. may be set-off against all or any funding, or any sum of money payable by the TEC to the TEO.

**Disclosure of data from Statistics New Zealand's Integrated Data Infrastructure**

68. The TEC must attach to funding a condition that a TEO consents, for the purposes of section 37A(a) of the Statistics Act 1975, to Statistics New Zealand disclosing information to the Ministry of Education and the TEC from its Integrated Data Infrastructure that identifies, or may identify, the TEO.

69. The TEC must inform TEOs that the Statistics Act 1975 does not constrain the ongoing use or sharing of the TEO-level data once it is disclosed.
PART THREE: THE ANNUAL MAXIMUM FEE MOVEMENT

General

70. The conditions in Part Three of this funding determination apply to fees and course costs (together referred to as "fees") charged by TEOs for a SAC-funded course that is part of a programme that leads to a qualification at level 3 or above on the NZQF.

71. Fees associated with a particular course are subject to these conditions if:
   a. the TEO is the sole source of the item to which the fee relates; and
   b. all domestic students validly enrolled in the course are required to pay the fees.

Definition

72. The term "fees" includes the following items: tuition fees, compulsory course costs, examination fees, material charges, costs of field trips, costs associated with the compulsory purchase of equipment or books through a TEO, and other charges associated with a course.

Annual Maximum Fee Movement

73. The annual maximum fee movement (AMFM) for 2019 is a 2% increase on the fees (GST exclusive) charged in 2018, for a course at level 3 and above on the NZQF, for which a TEO receives SAC funding, and which is part of a programme leading to qualifications listed on the NZQF.

New courses

74. The AMFM applies to any new courses established by a TEO in substitution for an existing course dealing with the same or similar subject matter, at a same or similar level on the NZQF, for which funding under this funding mechanism can be used.

Exceptions to the AMFM

75. A TEO may apply for an exception to the AMFM for a SAC-funded course that is part of a programme that leads to a qualification at level 3 or above on the NZQF on the basis of exceptional circumstances (listed below in paragraphs 76 a-d).

76. The TEC may grant an exception to the AMFM for one or more of a TEO's courses; however, any exception granted must not exceed an additional 2% increase over and above the permitted 2% increase.

77. In considering whether or not there are exceptional circumstances, the TEC must only have regard to the following criteria:
   a. the TEO is unable to support the course while remaining financially viable; and

For the avoidance of doubt, the AMFM also applies to professional masters programmes.
b. for a course which is part of a programme leading to a qualification at level 3 to 8 on the NZQF, the completion rate for the qualification met or exceeded the median performance benchmark for that level in the previous year; and

c. the TEO can demonstrate that the course is in some way unique or special, for example, that there are no available local alternatives to the course; and

d. not allowing an exception will prevent the TEO from making a significant contribution to the achievement of one or more of the Government's priorities, as set out in the Tertiary Education Strategy.

78. The TEC must only grant an exception if it is satisfied that the TEO meets all of the above criteria.

Zero fee or low fee courses

79. If the fees for a SAC-funded course that is part of a programme that leads to a qualification at level 3 or above on the NZQF were less than $511.11 (GST inclusive) or $444.44 (GST exclusive) per EFTS in the previous year, then a TEO may increase the fee by the greater of:

a. (up to) $511.11 (GST inclusive) or $444.44 (GST exclusive) per EFTS; or

b. 2%.
# Table 1: Course Classification Prescription

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<th>Description</th>
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<tr>
<td>#02</td>
<td>Architecture; Quantity Surveying</td>
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<tr>
<td>#03</td>
<td>Arts; Advanced Studies for Teachers; Health Therapies; Humanities; Languages; Social Sciences</td>
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<td>Osteopathy; Acupuncture</td>
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<td>#04</td>
<td>Business; Accountancy; Office Systems/Secretarial; Management</td>
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<td>Dentistry</td>
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<td>Engineering; Technology</td>
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Table 2: Funding categories: alphabetic code

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<td>B</td>
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<tr>
<td>C</td>
<td>Architecture (degree) [#02], Engineering [#11], Technology [#11], Health Sciences [#13], Vocational Training for Industry [#22.1], Midwifery (3 year) [#27], Physiotherapy [#29], Speech Language Therapy [#32], Medical Laboratory Science [#33], Audiology [#35]</td>
</tr>
<tr>
<td>G</td>
<td>Dentistry (postgraduate only) [#7], Medicine (postgraduate only) [#15]</td>
</tr>
<tr>
<td>H</td>
<td>Agriculture (degree) [#01], Horticulture (degree) [#01], Specialist Large Animal Science [#39]</td>
</tr>
<tr>
<td>I</td>
<td>Teaching [#19.1, #19.2, #20]</td>
</tr>
<tr>
<td>J</td>
<td>Business [#04], Accountancy [#04], Law [#14], Vocational Training for Industry [#22.1]</td>
</tr>
<tr>
<td>L</td>
<td>Agriculture (non degree) [#01], Horticulture (non degree) [#01], Osteopathy [#03.1], Acupuncture [#03.1], Vocational Training for Industry [#22.1], Nursing [#24]</td>
</tr>
<tr>
<td>M</td>
<td>Pilot Training [#11.2], Optometry [#13.1], Dental Therapy [#17.3], Pharmacy [#31]</td>
</tr>
<tr>
<td>N</td>
<td>Priority Engineering [#11.1], Dietetics [#36]</td>
</tr>
<tr>
<td>O</td>
<td>Medical Radiation Therapy [#30]</td>
</tr>
<tr>
<td>P</td>
<td>Trades 2 [#22], Vocational Training for Industry [#22.1]</td>
</tr>
<tr>
<td>Q</td>
<td>Veterinary Science [#23], Veterinary Science (years 3–5) [#23.3]</td>
</tr>
<tr>
<td>R</td>
<td>Dentistry undergraduate (years 2-5) [#07]</td>
</tr>
<tr>
<td>S</td>
<td>Foreign-Going Nautical [#38]</td>
</tr>
<tr>
<td>T</td>
<td>Medicine undergraduate (years 2-3) [#15]</td>
</tr>
<tr>
<td>U</td>
<td>Medicine undergraduate (years 4–6) [#37]</td>
</tr>
<tr>
<td>V</td>
<td>Science [#18]</td>
</tr>
</tbody>
</table>

Table 3: Funding categories: numeric code

<table>
<thead>
<tr>
<th>Category (numeric)</th>
<th>Classification by level and content of study</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Courses designed for non-degree qualifications with no research requirement, including certificates and diplomas</td>
</tr>
<tr>
<td>2</td>
<td>Courses designed for undergraduate degree qualifications, including bachelors degrees, graduate certificates and diplomas</td>
</tr>
<tr>
<td>3</td>
<td>Courses designed for taught postgraduate qualifications, including postgraduate certificates and diplomas, bachelors degrees with honours, and taught masters papers</td>
</tr>
<tr>
<td>4</td>
<td>Research-based postgraduate qualifications, including masters’ theses/dissertations of 1.0 EFTS or more for masters and doctoral study</td>
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</table>
Table 4: Funding rates

<table>
<thead>
<tr>
<th></th>
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<td>$6,295</td>
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<td>$8,403</td>
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<td>$9,630</td>
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<td>$11,557</td>
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<tr>
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<tr>
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</tr>
<tr>
<td>U</td>
<td></td>
<td>$43,737</td>
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<td>$18,512</td>
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</tbody>
</table>
