

## **DETERMINATION OF DESIGN OF FUNDING MECHANISM: EQUITY FUNDING**

### **INTRODUCTION**

1. Equity funding aims to improve access to tertiary education and the achievement of Māori and Pacific students, and students with disabilities. Evidence shows that these three groups of students experience clear disadvantages within the tertiary education system.

### **PURPOSE OF EQUITY FUNDING**

2. The purpose of equity funding for Māori and Pacific students is to improve participation in and achievement at the higher levels of the tertiary education system.
3. The purpose of equity funding for students with disabilities is to improve participation in tertiary education and achievement of qualifications at levels 5 and above on the New Zealand Qualifications Framework.

### **STATUTORY AUTHORITY**

4. This funding mechanism is made under section 159L of the Education Act 1989 (the Act).
5. Equity funding is to be paid under section 159YA of the Act.

### **GENERAL PARAMETERS**

#### ***Effective period***

6. This funding mechanism is to fund equity provision delivered between 1 January 2013 and 31 December 2014 only.
7. The Tertiary Education Commission (TEC) may exercise any of its administrative functions as required to give effect to this funding mechanism outside those dates.

#### ***Setting of total available funding***

8. The total funding for allocation under this funding mechanism will be set through the Government's annual budget processes.

#### ***Funding rates***

##### ***Māori and Pacific students***

9. The funding rates for Māori and Pacific students are set out in the following tables. All amounts are GST exclusive.

A. Funding rates for Tertiary Education Institutions

Qualification	Rate per EFTS <sup>1</sup>
Certificate	\$0
Diploma	\$133.33
Degree	\$320.00
Post-graduate	\$444.44

B. Funding rates for Private Training Establishments

NZQF <sup>2</sup> Level	Rate per EFTS
Levels 1-4	\$0
Levels 5-6	\$133.33
Level 7	\$320.00
Level 8 and above	\$444.44

10. Equity loading amounts for Māori and Pacific students attending tertiary education institutions (TEIs) and private training establishments are to be based on the most recent confirmed calendar year's enrolment levels.

*Students with disabilities*

11. The TEC will allocate funding to TEIs for students with disabilities, at a set rate of \$28.60 (GST exclusive) per Student Achievement Component funded EFTS at each institution.

**TEO eligibility**

*Māori and Pacific students*

12. The TEC may provide funding for equity provision relating to Maori and Pacific students to tertiary education organisations that receive Student Achievement Component funding.

*Tertiary students with disabilities*

13. The TEC may provide funding for equity provision relating to students with disabilities only to TEIs.

**Performance measurement**

14. The TEC must set performance expectation measures related to participation and achievement for Māori and Pacific students, and students with disabilities.

---

<sup>1</sup> Equivalent Full-Time Student

<sup>2</sup> New Zealand Qualifications Framework

## **SPECIFIC CONDITIONS THAT THE TEC MUST ATTACH TO FUNDING PROVIDED UNDER SECTION 159YA**

The following specific conditions must be attached to funding provided under this funding mechanism:

### ***No Other Funding***

15. A condition that a TEO will:
- a. not (without the TEC's prior written consent) seek or obtain any funding from any Crown source other than the TEC to fund the same part of its activities 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 this condition.

### ***Recovery of over-funding***

16. A condition that if the results of an audit, reporting or statistical returns, show that the amount of a payment of funding provided to a TEO under this funding mechanism was greater than it should have been, then the amount of the over-funding is treated as a debt due to the Crown and is:
- a. repayable by the TEO on demand; and
  - b. subject to the TEC's set-off rights under any condition attached to funding.

### ***Administrative responsibilities of TEC in relation to clause 16***

- (i) Before making demand for repayment, the TEC must first consult with the TEO on the audit, reporting or statistical returns, which disclosed the over-funding.
- (ii) If the results of an audit, reporting or statistical returns, indicate that the amount of a payment of funding provided under this funding mechanism was less than it should have been, the TEC must credit the amount of the under-funding to an account nominated by the TEO as soon as reasonably practicable.
- (iii) In the case of a TEO located in Christchurch whose capacity as a provider has been affected by the earthquake of 22 February 2011 or subsequent aftershocks, the TEC may waive the debt repayable by the TEO in full or in part.

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

17. A condition that if a TEO's funding for equity provision is revoked under section 159YG by the TEC before some or all of the funding provided to the organisation has been used, or contractually committed towards the purposes for which that funding was provided, then the unexpended or uncommitted portion of the funding is treated as a debt due to the Crown and is:
- a. repayable on demand by the TEC; and
  - b. subject to the TEC's set-off rights under any funding condition.

***Repayment of excess funding***

18. A condition that if the TEC considers on reasonable grounds that a TEO has received funding that it was not entitled to receive, then the amount of funding received in excess of that TEO's funding entitlement is treated as a debt due to the Crown and is:
- c. repayable on demand by the TEC; and
  - d. subject to the TEC's set-off rights under any funding condition.

***Set-Off***

19. A condition that the TEC may set-off, against all or any funding or other sum of money payable by the TEC to a TEO, any debt or other sum of money payable to the TEC by that TEO (including pursuant to any funding condition) where such debt or liability of the TEO has been outstanding to the TEC for ninety days or more.