



Office of Hon Steven Joyce

Minister for Economic Development
Minister for Regulatory Reform
Minister of Science and Innovation
Minister for Tertiary Education, Skills and Employment

Minister Responsible for Novopay
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13 OCT 2015

John Spencer
Chair
Tertiary Education Commission
PO Box 27-048
Wellington 6141

Dear John

Supplementary Determinations of Design of Funding Mechanisms: Student Achievement Component and Fees-free Provision

I am writing to advise you of supplementary determinations of the design of funding mechanisms, under section 159L of the Education Act 1989 (the Act), for the Student Achievement Component (SAC) and fees-free provision. The supplementary determinations are set out in the appendix to this letter and come into effect from 1 January 2016.

Under section 159O of the Act, it is the Commission's responsibility to develop the details of how to implement the appended supplementary funding mechanisms. I expect that the Commission will set appropriate measures as part of its Statement of Service Performance in order to report to me on its performance in giving effect to these determinations.

Yours sincerely



Steven Joyce
Minister for Tertiary Education, Skills and Employment

SUPPLEMENTARY DETERMINATION OF DESIGN OF FUNDING MECHANISMS FOR:

STUDENT ACHIEVEMENT COMPONENT – PROVISION AT LEVELS 1 AND 2 ON THE NEW ZEALAND QUALIFICATIONS FRAMEWORK (NON-COMPETITIVE ALLOCATION)

STUDENT ACHIEVEMENT COMPONENT – QUALIFICATIONS AT LEVELS 1 AND 2 OF THE NEW ZEALAND QUALIFICATIONS FRAMEWORK (COMPETITIVE ALLOCATION)

SPECIALISED ENGLISH FOR SPEAKERS OF OTHER LANGUAGES (ESOL)

AND

ADULT AND COMMUNITY EDUCATION

The “Determination of Design of Funding Mechanism: Student Achievement Component – Provision at Levels 1 and 2 on the New Zealand Qualifications Framework (Non-Competitive Allocation)” was issued in July 2014.

The “Determination of Design of Funding Mechanism: Student Achievement Component – Qualifications at Levels 1 and 2 of the New Zealand Qualifications Framework (Competitive Allocation)” was issued in June 2014.

The “Determination of Design of Funding Mechanism: Specialised English for Speakers of Other Languages (ESOL)” was issued in September 2014.

The “Determination of Design of Funding Mechanism: Adult and Community Education” was issued in August 2014.

(together, the funding mechanisms).

Conditions on the fees tertiary education organisations may charge

Each of the funding mechanisms includes one or more conditions restricting the fees tertiary education organisations (TEOs) may charge students in 2015. The funding mechanisms note that any limits on fees for further years will be determined by way of a supplementary funding mechanism to be issued the preceding year.

Accordingly, this supplementary determination stipulates that the conditions in the funding mechanisms restricting the fees TEOs may charge apply in 2016 and subsequent years (if applicable).

Calculation of Student Achievement Component (SAC) Funding

Appendix One: Calculation of SAC Funding set out on pages 14-16 of the “Determination of Design of Funding Mechanism: Student Achievement Component – Provision at Levels 1 and 2 on the New Zealand Qualifications Framework (Non-

Competitive Allocation)” is replaced by Appendix One: Calculation of SAC Funding set out on pages 3-5 of this supplementary determination.

The new Appendix One does not change the funding rates for courses designed for non-degree qualifications. It has been issued in order to be consistent with the funding mechanism “Determination of Design of Funding Mechanism: Student Achievement Component – Provision at Level 3 and above on the New Zealand Qualifications Framework”.

APPENDIX ONE: CALCULATION OF SAC FUNDING

Table 1: Course Classification Prescription

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

#38	Foreign-Going Nautical
#39	Specialist Large Animal Science

Table 2: Funding categories: alphabetic code

Category (alphabetic)	Relevant discipline and course classification
A	Arts [#03], Social Sciences [#03], General Education [#5.2], Vocational Training for Industry [#22.1]
B	Architecture (non-degree) [#02], Computer Science [#06], Fine Arts [#12], Design [#12], Music and Performing Arts [#16], Health Related Professions [#17], Trades 1 [#21], Vocational Training for Industry [#22.1], Medical Imaging [#25], Occupational Therapy [#28], Clinical Psychology [#34]
C	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]
G	Dentistry (postgraduate only) [#7], Medicine (postgraduate only) [#15], Veterinary Science [#23]
H	Agriculture (degree) [#01], Horticulture (degree) [#01], Specialist Large Animal Science [#39]
I	Teaching [#19.1, #19.2, #20]
J	Business [#04], Accountancy [#04], Law [#14], Vocational Training for Industry [#22.1]
L	Agriculture (non-degree) [#01], Horticulture (non-degree) [#01], Osteopathy [#03.1], Acupuncture [#03.1], Vocational Training for Industry [#22.1], Nursing [#24]
M	Pilot Training [#11.2], Optometry [#13.1], Dental Therapy [#17.3], Pharmacy [#31]
N	Priority Engineering [#11.1], Dietetics [#36]
O	Medical Radiation Therapy [#30]
P	Trades 2 [#22], Vocational Training for Industry [#22.1]
Q	Veterinary Science (years 3-5) [#23.3]
R	Dentistry (undergraduate excluding intermediate – years 2-5) [#07]
S	Foreign-Going Nautical [#38]
T	Medicine undergraduate (years 2-3) [#15]
U	Medicine undergraduate (years 4-6) [#37]
V	Science [#18]

Table 3: Funding categories: numeric code

Category (numeric)	Classification by level and content of study
1	Courses designed for non-degree qualifications with no research requirement, including certificates and diplomas
2	Courses designed for undergraduate degree qualifications, including bachelors degrees, graduate certificates and diplomas
3	Courses designed for taught postgraduate qualifications, including postgraduate certificates and diplomas, bachelors degrees with honours, and taught masters papers
4	Research-based postgraduate qualifications, including masters' theses/dissertations of 1.0 EFTS or more for masters and doctoral study
5	Foreign student enrolments in research-based postgraduate qualifications

Table 4: Funding rates

	1	2	3	4	5
A	\$6,014	\$6,135	\$7,743	\$8,189	\$3,405
B	\$9,200	\$9,384	\$11,931	\$12,827	\$6,242
C	\$11,060	\$11,282	\$14,339	\$15,432	\$7,455
G		\$21,035	\$26,154	\$26,154	\$6,779
H		\$17,602	\$22,198	\$23,292	\$5,244
I	\$8,569	\$8,741	\$10,975	\$11,420	\$3,405
J	\$6,014	\$6,135	\$7,743	\$8,189	\$3,405
L	\$10,338	\$10,545	\$13,294	\$14,189	\$6,954
M	\$13,166	\$15,301	\$19,213	\$20,459	\$8,763
N	\$12,272	\$12,518	\$15,747	\$16,948	\$8,187
O		\$18,160			
P	\$9,938				
Q		\$27,521			
R		\$51,690			
S	\$18,301				
T		\$36,139			
U		\$42,622			
V	\$10,756	\$12,798	\$16,134	\$17,219	\$7,236