



Office of Hon Steven Joyce

Minister for Economic Development
Minister of Science and Innovation
Minister for Tertiary Education, Skills and Employment
Associate Minister of Finance

18 JUL 2014

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

Dear John

Determination of Design of Funding Mechanism: "Student Achievement Component – Provision at Level 3 and above on the New Zealand Qualifications Framework"

I am writing to advise you of the new funding determination made under section 159L of the Education Act 1989 for Student Achievement Component-funded provision at Level 3 and above on the New Zealand Qualifications Framework.

The new determination is set out in the appendix to this letter, and is to fund provision from 1 January 2015.

Under section 159O of the Act, it is the Commission's responsibility to develop the operational policy and practices needed to implement my determinations of the designs of 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

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 determination, which is made under section 159L of the Education Act 1989 (the Act), specifies the design of the funding mechanism for student achievement component (SAC) provision (the funding mechanism) for:
 - a. qualifications at level 3 and above on the New Zealand Qualifications Framework (NZQF); and
 - b. additional Skills for Canterbury (SFC) provision at level 3 and above on the NZQF.
2. In this funding mechanism, all references to SAC funding include SFC funding, unless specified otherwise.

Purpose

3. SAC funding contributes towards the provision of teaching and learning services for enrolled students at tertiary education organisations (TEOs) with investment plans (unless exempt).
4. The SAC comprises the following two funds:
 - a. provision at levels 1 and 2 on the NZQF¹; and
 - b. provision at level 3 and above on the NZQF.
5. SFC funding encourages provision of additional priority trades training to assist in the Canterbury rebuild.

On-plan funding

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

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 – qualifications at levels 1 and 2 of the New Zealand Qualifications Framework (competitive allocation)*” and “*Determination of design of funding mechanism: student achievement component – provision at levels 1 and 2 on the New Zealand Qualifications Framework (non-competitive allocation)*”.

PART ONE: THE FUNDING MECHANISM

General parameters

Effective period dates

7. This funding mechanism is to fund provision from 1 January 2015.
8. The TEC may exercise any of its administrative functions as required to give effect to this funding mechanism before this date.

Available funding

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

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

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

Funding formula and rate(s)

12. 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 (unless exempt).
13. For the purposes of calculating the amount of SAC funding to be allocated to a TEO under this funding mechanism, the TEC must use a metric comprising:
 - a. the number of valid domestic student 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

14. For the purpose of calculating the amount of SAC funding to be allocated to a TEO under 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 student²; or
 - ii. an Australian citizen or Australian permanent resident currently residing in New Zealand; or
 - iii. an international student involved in postgraduate research; and
 - 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 criteria established by the TEC; and
 - d. has paid or committed to pay his or her fees (if fees apply).
15. 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. is studying overseas; or
 - c. has not paid his or her fees (if fees apply).
16. 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.

Invalid domestic enrolments

- 17. Even if a student meets the criteria specified in paragraph 14, 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.
- 18. An inducement may include a financial incentive or on-going personal possession of physical items where they induce a student to enrol.
- 19. The TEC must establish criteria for determining what constitutes an inducement.

The metric

Measurement of enrolments

- 20. 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.

² For the definition of domestic student, refer to section 159 of the Education Act 1989.

21. The EFTS value of a qualification represents the TEC's assessment of the normal minimum time for a successful full-time student to complete the qualification. In addition, the credit value assigned to the course by either the New Zealand Qualifications Authority (NZQA) or the New Zealand Vice-Chancellors Committee must be a part of the EFTS metric.
22. The TEC must consider qualifications that the TEO has disaggregated into component courses. The TEO must assign each course an EFTS factor that represents the proportion of the whole qualification that the course constitutes.

Course classification: "1-39 Classification Prescription"

23. 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.
24. The TEC must validate each TEO's assignment of its courses to the appropriate course classification.

Funding categories

25. The TEC must assign each course classification to a funding category in accordance with Table 2 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.
26. In relation to course classification #22.1, "Vocational Training for Industry", the TEC must categorise courses according to their subject content.
27. 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

28. The TEC must apply the per-EFTS funding rates for TEOs as set out in Table 4, "Funding rates" of Appendix 2.
29. The funding rates include the 5% of reserved funding that will be allocated on the basis of a TEO's educational performance (see paragraphs 30 to 34 below).

Performance-linked funding

30. The TEC must reserve 5% of a TEO's total SAC funding allocated under this funding mechanism. The reserved funding is to be paid on the basis of the TEO's educational performance at each of the following three groups of qualification levels on the NZQF³:
 - a. levels 3 and 4; and

³ Performance-linked funding at levels 1 and 2 on the NZQF is dealt with in the funding mechanisms specified in footnote 1.

- b. levels 5 and 6; and
- c. levels 7 and 8⁴.

31. The TEC must determine a performance score for each group of qualification levels, using the following weightings of performance indicators:

Qualification level	Qualification completion	Course Completion	Retention	Progression
3-4	45%	55%	-	-
5-6	35%	45%	20%	-
7-8	35%	45%	20%	-

32. The TEC must set and publish annually the upper and lower benchmarks for each group of qualification levels. The benchmarks must be based on the following criteria:

- a. for the upper benchmark, the 50th percentile of performance at each group of qualifications levels; and
- b. for the lower benchmark, the 10th percentile of performance at each group of qualifications levels.

33. The TEC must then apply an adjustment of 50%, in proportion to the amount of part-time study that takes place at a TEO, to the qualification completions performance indicator to give the final performance score.

34. If the TEO's performance score is:

- a. above the upper benchmark, the TEC must allocate the full amount of reserved funding; or
- b. below the lower benchmark, the TEC must not allocate any of the reserved funding; or
- c. between the two benchmarks, the TEC must allocate a portion of reserved funding to the TEO according to a formula which the TEC is to develop. The proportion of this funding allocated to a TEO depends on how close its performance score is to each benchmark.

TEO eligibility

35. The TEC may only fund a TEO under this determination if the TEO is one of the following:

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

⁴ Performance-linked funding does not apply to qualifications above level 8 on the NZQF.

- i. a university;
- ii. an institute of technology and polytechnic (ITP);
- iii. a wānanga; or
- b. a private training establishment (PTE); or
- c. a rural education activities programme (REAP) provider.

TEO quality assurance

36. 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

37. 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 14 and 15.

Eligible programmes and qualifications

General matters

38. 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. if offered by a PTE, comprises 40 or more credits; and
 - iii. 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 by either NZQA or the New Zealand Vice-Chancellors' Committee (where appropriate).
39. The TEC must restrict the availability of short awards, 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.

Pre-service teacher training

42. The TEC must ensure that SAC funding paid to a TEO under this funding mechanism is not used for pre-service teacher training:
 - a. at a new TEO; or
 - b. at an established TEO if the pre-service teacher training is significantly different in scope or level from existing training.
43. Despite paragraph 42, the TEC may allow SAC funding to be paid to a new or established TEO under this funding mechanism for pre-service teacher training if the Ministry of Education advises that the Minister of Education has granted an exemption to the moratorium on pre-service teacher training.

Health and safety and regulatory compliance learning

44. 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

45. 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: 84 EFTS.
46. 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.

Skills for Canterbury funding

47. The TEC may provide funding for additional priority trades training, measured in EFTS, for the purpose of developing the skills needed for the Canterbury earthquake recovery.
48. To be eligible for SFC funding for additional priority trades, the TEC must ensure that a TEO:
- a. uses all of its allocated SAC funding; and
 - b. delivers its agreed SAC EFTS volume of priority trades.
49. The TEC must establish an allocation process for the provision of SFC funding.
50. The TEC must pay SFC funding at a fixed rate per EFTS.

PART TWO: FUNDING CONDITIONS

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

Tertiary Education Organisations

52. 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 35 and 36 of this funding mechanism.
53. 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

54. 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 37 of this funding mechanism.
55. The TEC must attach to funding a condition that a TEO that receives funding under this funding mechanism:
- a. must not 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); and
 - b. must not secure or seek to secure a valid domestic enrolment through the offering of an inducement.
56. 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.

Courses, programmes and qualifications

57. 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 38 of this funding mechanism.

58. 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.

High-cost provision

59. 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

60. A TEO must not use funding provided under this funding mechanism to fund high-cost provision, as specified in paragraph 45, above the volume of EFTS for that provision at the TEO that the TEC has agreed to fund.

Aviation

61. A TEO that is allocated EFTS for aviation provision that includes an in-flight training component (pilot training) must supply StudyLink 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 \$35,000 per EFTS; or
 - 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 (for example, if a student is studying 0.4 EFTS in the year, the student loan borrowing limit will be \$14,000).

Dentistry (intermediate) year 1 intake

62. 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

63. 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 course⁵; and
 - b. in relation to the provision of essential equipment, including computers, diving hardware, and chainsaws, must not:

⁵ 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.

- 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.
64. For the purposes of paragraph 63(c), the TEC must develop guidelines determining when overseas travel is academically essential.
65. 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.
66. Any limits on fees for further years will be determined by way of a supplementary funding mechanism to be issued the preceding year.

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.
74. In the case of a TEO located in Canterbury, the TEC may waive in full or in part the debt repayable by the TEO due to over-funding if the TEO has been significantly affected by the earthquake of 22 February 2011 (or subsequent aftershocks).

Recovery of funding for Skills for Canterbury

75. The TEC must attach a condition to SFC funding provided under this funding mechanism that:
 - a. where the dollar value of the delivery of both the SAC-funded provision⁶ and the SFC-funded provision delivered by the TEO together comprise less than 99% of the total SAC funding (i.e. excluding SFC funding), then the TEO must repay:
 - (i) the difference between 99% of the total dollar value paid to the TEO for the SAC-funded provision and the dollar value of the SAC-funded provision actually delivered; and
 - (ii) the total dollar amount of the SFC funding.

Example: if a TEO receives \$100 SAC funding and \$10 SFC funding, but only delivers \$98 of provision in total, the TEO must repay \$1 of the SAC funding and all \$10 of the SFC funding to the TEC.

⁶ For the purposes of this condition, "SAC-funded provision" and "total SAC funding" means SAC-funded provision at level 3 and above on the NZQF that is funded under this funding mechanism.

- b. where the dollar value of the delivery of both the SAC-funded provision and the SFC-funded provision delivered by the TEO together comprise between 99% and 100% of the total SAC funding, then the TEO must repay the total amount of SFC funding.

Example: if a TEO receives \$100 SAC funding and \$10 SFC funding, but only delivers \$99 of provision in total, then the TEO does not have to repay any SAC funding but must repay all \$10 of SFC funding to the TEC.

- c. where the dollar value of the delivery of both the SAC-funded provision and the SFC-funded provision is more than 100% of the total SAC funding, and the dollar value of the SFC-funded provision actually delivered is less than 100% of the total SFC funding, then the TEO must repay the difference between 100% of the total dollar value paid to the TEO for the SFC-funded provision and the dollar value of the SFC-funded provision actually delivered.

- 76. In each instance, the amount of funding which the TEO is to repay is to be treated as a debt due to the Crown and:
 - 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.

Repayment of funding following revocation of funding approval

- 77. 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.

TEC administrative responsibilities

- 78. If a TEO receives funding under this funding mechanism that is less than it should have been, or that 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.

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

- 79. The following specific conditions must be attached to funding provided to TEIs under this funding mechanism.

Enrolment

80. 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

81. 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.

PART THREE: THE ANNUAL MAXIMUM FEE MOVEMENT

General

82. 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.
83. 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

84. 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

85. The annual maximum fee movement (AMFM) is a 4% increase on the fees (GST exclusive) charged in the previous year, 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 NZQF⁷.

New courses

86. 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

87. 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).
88. 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 4% increase over and above the permitted 4% increase.
89. 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

⁷ 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 2014-19.
90. 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

91. 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. 4%.

APPENDIX 1: FUNDING MINIMUMS FOR SAC PROVISION RELATING TO QUALIFICATIONS AT LEVELS 3 AND ABOVE ON THE NEW ZEALAND QUALIFICATIONS FRAMEWORK

The funding minimums for SAC 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 SAC provision relating to qualifications at levels 3 and above on the NZQF, without reference to subsector.

Table 1: Funding Minimums by Subsector

\$ millions	2015	2016
Universities	\$1,044.87	\$1,048.17
Institutes of Technology and Polytechnics	\$433.40	\$433.42
Wānanga	\$116.14	\$116.14
Private Training Establishments	\$162.90	\$162.90
Total Student Achievement Component by sub-sector	\$1,757.32	\$1,760.64
All sub-sectors	\$195.26	\$195.63
Total Student Achievement Component (Levels 3 and above)	\$1,952.57	\$1,956.26

APPENDIX 2: 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], 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], Speech Language Therapy [#32], Medical Laboratory Science [#33], Audiology [#35]
G	Dentistry (postgraduate only) [#7], Medicine (postgraduate only) [#15], Veterinary Science [#23]
H	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], Physiotherapy [#29]
M	Agriculture (degree) [#01], Horticulture (degree) [#01], 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	\$14,572	\$18,298	\$19,485	\$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	\$11,905	\$15,008	\$16,018	\$7,236