

Student Achievement Component – provision at levels 1 and 2 on the New Zealand Qualifications Framework (non-competitive allocation) – conditions on funding

SACNC/001: TEO to supply information and report to the TEC

This condition is imposed under section 159YC(1) of the Education Act 1989.

As specified in section 159YC(1) of the Education Act, it is a condition of a tertiary education organisation (TEO) receiving funding that the TEO will supply to the TEC, from time to time as required by the TEC, and in the form specified by the TEC, any financial, statistical, or other information that the TEC requires the TEO to supply.

TEO to supply enrolment information to the TEC

The TEO must:

- a) supply to the TEC information about each student enrolled in a course by completing the fields in the SDR in accordance with the SDR Manual and its appendices; and
- b) submit the information through the SDR on or before the date specified by the TEC.

The TEO must submit the SDR through the Services for Tertiary Education Organisations ([STEO website](#)). For more information, please refer to the SDR Manual.

TEO to supply financial viability information to the TEC

The TEO must supply to the TEC information relating to the financial viability of the TEO, if the TEC notifies the TEO that the TEC requires that information.

TEO to supply subcontracting information to the TEC

The TEO must supply to the TEC information about the TEO's subcontracting arrangements when the TEC requests that information.

TEO to supply fee information to the TEC (if requested)

For the purposes of determining whether the TEO has complied with Condition SACNC/029, the TEO must provide the TEC with information about:

- a) the fees charged to students enrolled in a course that receives SAC (levels 1 and 2 non-competitive allocation) funding, who are aged under 25 years old at the time that the course commences; and
- b) the fees charged to students for each course that receives SAC (levels 1 and 2 non-competitive allocation) funding; and
- c) the fees that were charged for each course that receives SAC (levels 1 and 2 non-competitive allocation) funding the last time that the course was offered.

If the TEO discounts its course fees for a calendar year, the TEO must supply to the TEC information about each discount.

TEO to supply information to the TEC in certain situations

The TEO must notify the TEC immediately if:

- a) any record required to be kept under section 159YD(1) of the Education Act has been lost or damaged; or
- b) the TEO is no longer able to comply with a condition of funding.

ITP to supply information to the TEC

This condition applies to an institute of technology and polytechnic (ITP) that receives Special Supplementary Grant Funding.

At the end of each year, the ITP must supply to the TEC information about Special Education Special Supplementary Grant (SSG) funding provided for additional tutor support for special education using the reporting template specified by the TEC.

PTE to supply information to the TEC in certain situations

This condition applies to a private training establishment (PTE).

The PTE must notify the TEC immediately if:

- a) its New Zealand Qualifications Authority (NZQA) registration or accreditation is cancelled; or
- b) it is in liquidation or receivership; or
- c) it has had a change of ownership or governance (see below); or
- d) it has changed its name; or
- e) the location or locations at which it delivers a course or courses has changed.

Definition of change of ownership

For the purposes of this condition, a change of ownership or governance means any of the following:

- a) the merger of a PTE with another company or organisation; or
- b) transfer or sale to a trust; or
- c) transfer or sale of all or part of the business (assets) to a new owner; or
- d) change to the control of a PTE (private company); or
- e) change in a director of the PTE (private company).

SACNC/002: TEO to be eligible to receive SAC funding

This condition is imposed under section 159YC(2)(a) of the Education Act 1989

The TEO must meet, and for the period of funding approval, continue to be:

- a) an institute of technology and polytechnic (ITP); or
- b) a wānanga; or
- c) a university; or
- d) a PTE.

SACNC/003: TEO to continue to meet quality assurance requirements

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must, for the period of funding approval, continue to be quality assured by the applicable quality assurance body, being:

- a) the 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.

SACNC/004: TEO to meet minimum performance standards

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must meet any minimum performance standards specified by the TEC, including any minimum performance standards specified in the TEO's Investment Plan.

SACNC/005: TEO to use funding for approved qualifications and courses

This condition is imposed under section 159YC(2)(b) of the Education Act 1989.

The TEO must only use SAC funding to deliver qualifications and courses that have been approved by the TEC.

To receive approval for a qualification, the TEO must submit the relevant documents to the TEC in accordance with the information on the TEC's website.

SACNC/006: TEO to ensure programmes and qualifications are eligible

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must ensure that, throughout the period of funding approval, a programme of study or qualification in which an eligible student is enrolled and that receives SAC (levels 1 and 2 non-competitive allocation) funding:

- a) meets the objectives of foundation level tertiary education, which are to:
 - (i) provide people who do not already have essential foundation skills with access to a low cost way to gain those skills; and
 - (ii) provide progression to higher level study and skilled employment; and
 - (iii) build the literacy and numeracy skills of eligible students; and
 - (iv) enable beginning students to learn English or te reo Māori; and
 - (v) encourage those TEOs that are best able to meet the needs of foundation education students.
- b) is, and continues to be, one of the following:
 - (i) a course or courses leading to the award of a qualification at level 1 or 2 on the NZQF that has a credit value of 20 credits or more; or
 - (ii) a training scheme or short award with a credit value greater than 20 credits; or
 - (iii) National Certificate of Educational Achievement (NCEA) at level 2 that is aligned with one or more of the Vocational Pathways; and
- c) includes embedded literacy and numeracy provision (except for qualifications in ESOL or Te Reo Māori); and
- d) includes an assessment process, under which students are assessed using the Literacy and Numeracy for Adults Assessment Tool unless the qualification is in ESOL or Te Reo Māori; and
- e) if the qualification is in ESOL or Te Reo Māori, includes an assessment process under which students are assessed using the Literacy and Numeracy for Adults Assessment Tool (as required by the TEC); and
- f) is provided by tutors who hold an appropriate qualification (such as the National Certificate in Adult Literacy Education (Vocational)); and

- g) is fees-free in 2015 to students who are under the age of 25 years at the time the course commences; and
- h) does not require a fee to be paid (by learners aged 25 years or over) in 2015 that is higher than the last time the TEO offered that course and charged a fee.

The TEO must not use SAC (levels 1 and 2 non-competitive allocation) funding for programmes of study or training where the TEC considers on reasonable grounds that:

- a) a majority of the programme of study or training relates to health and safety or regulatory compliance learning; or
- b) students enrolled in the programme of study or training will only complete the health and safety or regulatory compliance learning components of that programme of study or training.

SACNC/007: TEO to use Literacy and Numeracy for Adults Assessment Tool

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

When the TEO delivers a qualification (other than a qualification in ESOL or Te Reo Māori), the TEO must use the Literacy and Numeracy for Adults Assessment Tool to identify the literacy and numeracy needs of each student, and measure each student's progress.

When the TEO delivers a qualification in ESOL or Te Reo Maori, the TEO must use the Literacy and Numeracy for Adults Assessment Tool to identify the literacy and numeracy needs of each student, and measure each student's progress, as required by the TEC.

For the purposes of this condition, the TEC requires that when a TEO delivers a qualification in ESOL in 2015, the TEO must use Starting Points to assess each learner's literacy and numeracy needs and to assess their progress. From 2016, TEOs must use the new Starting Points option(s) within the Literacy and Numeracy for Adults Assessment Tool. TEOs are not required to use the Literacy and Numeracy for Adults Assessment Tool for Te Reo Māori qualifications.

SACNC/008: Funding not to be sought twice for courses leading to two (or more) qualifications

This condition is imposed under section 159YC(2)(b) of the Education Act 1989.

The TEO may only seek SAC funding for the EFTS factor of a course once in cases where a student's enrolment in the course can lead to the award of two (or more) qualifications for the student, unless the TEO can demonstrate that additional EFTS value sought for the student's enrolment in the course adequately reflects additional teaching input or assessment that the student would not receive if his or her enrolment in the course could only lead to the award of one qualification.

SACNC/009: Funding not to be sought for students enrolled in courses that lead to students exceeding total EFTS value of qualification for that year

This condition is imposed under section 159YC(2)(b) of the Education Act 1989.

The TEO must not seek SAC funding, in respect of a student enrolled in a course that leads to the award of a qualification, if the result of enrolling the student in the course is that the total EFTS factors for all of the courses in which the student is enrolled in that year exceed the total annual EFTS value of the qualification, unless:

- a) the student, in an exceptional circumstance (such as repeating a course that he or she previously has not passed), has elected to exceed total EFTS value of the qualification in that year; and

- b) the TEO can demonstrate that the EFTS factor sought for the course adequately reflects additional teaching input, rather than additional directed study.

SACNC/010: TEO to ensure course assigned accurate course classification

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must accurately assign each SAC-funded course to a course classification listed in the "Course Classification Prescription" as set out in Appendix 1 of the determination of design of funding mechanism entitled *Student Achievement Component - Provision at level 1 and 2 (non-competitive allocation) on the New Zealand Qualifications Framework* and dated 19 August 2014.

The TEO must determine the assignment of each SAC-funded course by the content of the course, and not the course's name.

SACNC/011: TEO to ensure qualifications are accurately designated

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must accurately designate each SAC funded qualification as "trades" or "non-trades".

SACNC/012: TEO to meet requirements when making changes to a qualification

This condition is imposed under section 159YC(2)(b) of the Education Act 1989.

Before making a **minor change** to a qualification, the TEO must:

- a) obtain approval for the minor change from the relevant quality assurance body (if required), that is:
- (i) NZQA, if the TEO is a PTE; or
 - (ii) NZQA or the TEO's Academic Board, if the TEO is an ITP or a wānanga; or
 - (iii) the New Zealand Vice-Chancellor's Committee on University Academic Programmes (CUAP), if the TEO is a university; and
- b) notify the TEC of the change and provide the relevant information; and
- c) obtain approval from the TEC to update the course or qualification register.

Before making a **significant change** to a qualification, the TEO must:

- a) obtain approval from the relevant quality assurance body; and
- b) provide the relevant information to the TEC (including evidence of approval from the quality assurance body) to enable the TEC to determine whether or not to approve the change; and
- c) obtain approval from the TEC to make the significant change.

Definition of minor change

For the purposes of this condition, a "minor change" to a qualification is a change that does not change the size, level, core content, or EFTS value of the qualification.

Definition of significant change

For the purposes of this condition, a "significant change" to a qualification is a change to:

- a) the EFTS value of the qualification; or

- b) the total number of credits in the qualification; or
- c) the timeframe to complete the qualification; or
- d) the level of the qualification in the New Zealand Qualification Framework; or
- e) the location or locations at which the qualification is delivered; or a change to the delivery mode of the qualification; or
- f) the number of courses that each student is expected to undertake to achieve the qualification; or
- g) pre-requisite requirements.

SACNC/013: EFTS value of qualifications not to be more than 1 EFTS per year without TEC approval

This condition is imposed under section 159YC(2)(b) of the Education Act 1989.

The TEO must not assign an EFTS value of more than 1 EFTS per year, to a qualification, for which the TEO seeks approval of more than one EFTS of SAC funding, unless the TEO has received approval from the TEC.

In approving an exception to this condition, the TEC will consider additional criteria, including whether the TEO:

- a) will inform each student accurately about his or her higher than normal expected study commitments; and
- b) has support mechanisms in place for each student who has difficulty coping with the intensity of the course

SACNC/014: TEO must determine an appropriate EFTS value for each qualification and course

This condition is imposed under section 159YC(2)(b) of the Education Act 1989.

The TEO must:

- a) use the following three methods to determine the EFTS value of a qualification:
 - (i) Credits or points; and
 - (ii) Learning hours; and
 - (iii) Full-time teaching weeks; and
- b) ensure that a qualification designed to be delivered within a year (being any 12 month period) is limited to a maximum of 1 EFTS, even if obtaining the qualification requires more than 120 credits, 1,200 hours of learning, or 34 full-time teaching weeks, unless the TEC has approved an exception to this limit; and
- c) provide the TEC with information on the three methods of calculating EFTS values (being credits or points, learning hours, and full-time teaching weeks) when the TEO enters qualification details on the TEC STEO website.

EFTS values

For the purposes of this condition, one (1) EFTS equates to a programme of study or training that is 1,200 learning hours or 120 credits delivered over 34 teaching weeks.

If a TEO submits for approval for SAC funding a qualification that has two or more strands, it must propose an EFTS value for the qualification that is based on the strand that contains

the highest number of credits that the TEO is approved to deliver for the qualification. A strand is a combination of courses that leads to the award of a qualification.

Definition of learning hours and teaching weeks

For the purposes of this condition, learning hours and teaching weeks means:

- a) lecturer and tutor contact hours, including workshops and tutorials; and
- b) completion of tests and assignments; and
- c) supervised practical placements; and
- d) study time; and
- e) self-directed learning with tutorial support available; and
- f) examination periods.

SACNC/015: TEO not to include overseas travel as part of a course

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must not use SAC funding to meet the costs of overseas travel for students, or require students to meet the cost of the travel by accessing the Student Loan Scheme, unless the overseas travel is academically essential.

To determine whether overseas travel is academically essential, the TEO must:

- a) submit an application to the TEC:
 - (i) at least two months before the TEO advertises or publishes any information about the course or accepts enrolments; and
 - (ii) include a letter from the applicable quality assurance body, endorsing the essential nature of the travel component of the course; and
- b) receive approval from the TEC to include overseas travel as part of a course.

Definition of appropriate body

For the purposes of this condition, the appropriate quality assurance body is the NZQA if the TEO is an ITP, wānanga, or PTE, and the New Zealand Vice-Chancellors' Committee, if the TEO is a university.

TEC considerations

When determining whether or not overseas travel is academically essential, the TEC will consider whether:

- a) the overseas travel is integrally linked to the stated outcomes of a course; and
- b) the course is a compulsory requirement of a qualification and/or major; and
- c) the academic outcomes for the course cannot be achieved in any other manner in New Zealand; and
- d) the course or qualification is aligned to the Tertiary Education Strategy.

SACNC/016: TEO to provide necessary equipment, infrastructure, and hardware

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

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

When providing essential equipment (including computers, diving hardware, and chainsaws), the TEO must not:

- a) include the costs in any fee, compulsory course cost, or compulsory student service fee, charged to a student; or
- b) require a student to meet the costs through the "course-related costs" component of the Student Loan Scheme as a condition of the student's enrolment.

Definition of equipment, infrastructure, and hardware

For the purposes of this condition, "equipment, infrastructure, and hardware":

- a) means items that can be used by successive intakes of students; and
- b) does not include personal items that are provided for individual students' use and that the TEO does not retain for the next intake of students.

SACNC/017: TEO to ensure student enrolled in SAC course is eligible

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must ensure that SAC funding is only used for programmes of study or training for valid domestic enrolments. A "valid domestic enrolment" refers to the enrolment of a student who:

- a) is one of the following:
 - (i) a [domestic student](#); or
 - (ii) an Australian citizen or Australian permanent resident currently residing in New Zealand; and
- b) is one of the following:
 - (i) aged 16 years and over; or
 - (ii) aged under 16 years, and meets the criteria established by the TEC for a valid domestic enrolment of a student aged under 16 years; and
- c) is studying in New Zealand, unless the student meets the criteria established by the TEC for a valid domestic enrolment of a domestic student studying outside New Zealand; and
- d) does not already hold a qualification at level 2 or higher on the NZQF unless:
 - (i) the student is participating in a qualification in ESOL or Te Reo Māori; or
 - (ii) the TEO at which the student has enrolled has not reached the thresholds specified in Condition SACNC/023.

However, an enrolment is not a valid domestic enrolment if the enrolment has been secured by way of an inducement.

Students aged under 16 years old

A student aged under 16 years old at the time that the programme of study or training in which the student is enrolled begins is considered a valid domestic enrolment for the purposes of this condition if he or she meets the following criteria:

- a) the TEO is satisfied that the student is capable of completing the academic requirements of the courses or programme in which the student is enrolled; and
- b) the TEO has ensured that the student has a school exemption certificate from the Ministry of Education; and

- c) if the student is, or will be, enrolled in secondary school at the time the programme of study or training starts, the TEO has ensured that the student's principal has signed a letter that approves the programme of study or training, and that either specifies that:
 - (i) the student is not required to be absent from school during school hours; or
 - (ii) if the student is required to be absent from school during school hours for more than five hours per week, the school will seek reduced funding for the student; and
- d) if the student is, or will be, home schooled at the time that the programme of study or training starts, the TEO has ensured that the parent of the student who is primarily responsible for the student's home schooling has signed a letter that approves the study or training.

Students studying outside New Zealand

A student studying outside New Zealand is considered a valid domestic enrolment for the purposes of this condition if he or she meets the following criteria:

- a) the student is:
 - (i) a domestic student; and
 - (ii) a New Zealand citizen, who is resident overseas; and
 - (iii) enrolled in a course(s) leading to the award of a recognised qualification offered by a New Zealand TEO; and
 - (iv) enrolled at a New Zealand campus of a New Zealand TEO; and
- b) the student is not:
 - (i) resident overseas and enrolled at an overseas campus established by a New Zealand TEO; or
 - (ii) a domestic student who is travelling overseas and enrolled with an overseas tertiary education provider; or
 - (iii) resident overseas and receiving tuition primarily through an overseas site of a TEO, regardless of the site at which the student is enrolled.

SACNC/018: TEO to keep enrolment records

For TEOs that are not TEIs, this condition is imposed under section 159YD(1)(a) of the Education Act 1989.

For TEIs, this condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must keep accurate and up-to-date records of each valid domestic enrolment of a student enrolled in a programme or programmes of study or training of more than 0.03 EFTS funded by the TEC, that specify:

- a) the programme or programmes of study or training (including qualification(s) and course(s)) in which the student has been admitted or readmitted; and
- b) the student's identity details, including the student's name, date of birth, citizenship, domestic or international student status, and residency status (if relevant); and
- c) if the student is enrolled in a programme of study or training leading to a qualification with an EFTS value of greater than 0.03 EFTS, whether the TEO has verified the student's identity; and
- d) whether the TEO has verified that the student is a valid domestic enrolment; and
- e) the student's National Student Number (NSN); and

- f) the student's previous academic achievement (if relevant); and
- g) the receipt verifying that the student has paid or has arranged to pay his or her fees (if applicable); and
- h) changes (if any) made to an enrolment; and
- i) whether the student has withdrawn from part of his or her programme of study or training, and the date of the withdrawal; and
- j) whether a student has been expelled from part of his or her programme of study or training by the TEO due to a breach of the TEO's Code of Conduct; and
- k) whether a student is on a discretionary leave of absence greater than leave normally granted under the TEO's standard minimum attendance requirements; and
- l) that the student is attending the programme of study in which he or she is enrolled, or is actively involved in the programme or course; and
- m) the period for which the student is enrolled.

SACNC/019: TEO to verify student identity

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must verify the identity of each student enrolled in a programme or programmes of study or training of more than 0.03 EFTS by doing one or more of the following:

- a) confirming that all data fields match the student's NSN; or
- b) receiving an assertion through the Department of Internal Affairs' [RealMe®](#) online identity verification service; or
- c) sighting the original or certified copy of a current passport; or
- d) sighting the original or certified copy of one or more of the following documents:
 - (i) a birth certificate; or
 - (ii) a certificate of identity; or
 - (iii) a New Zealand certificate of citizenship; or
 - (iv) an expired passport that has not been cancelled; or
- e) if a student is unable to obtain a birth certificate for the purposes of (d)(i) above, contacting the TEC to confirm that a whakapapa statement signed by both the student and a kaumātua is acceptable evidence of identity.

For the purposes of this condition a certified copy is a photocopy that has been endorsed as a true copy of the original. To be certified, the document must:

- a) be certified by an official of the issuing authority or a person authorised by law in New Zealand to certify documents, such as a Justice of the Peace, a lawyer or a court official (Court Registrar or Deputy Registrar); and
- b) have the official's signature on each page, with the name and title of the official shown clearly below his or her signature.

SACNC/020: TEO to confirm that each student is a valid domestic enrolment

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must verify a student's eligibility for enrolment as a valid domestic enrolment.

For the following types of student who are a valid domestic enrolment under Condition SACNC/017: TEO to ensure student enrolled in SAC course is eligible, the TEO must use one of the following verification methods:

<p>A New Zealand citizen</p>	<p>a TEO must:</p> <ul style="list-style-type: none"> a) confirm the student's eligibility citizenship status using the student's NSN; or b) receive an assertion through RealMe® that the student was born in New Zealand (prior to 2005); or c) sight an original or certified copy of one or more of the following documents: <ul style="list-style-type: none"> (i) a New Zealand birth certificate; or (ii) a New Zealand passport; or (iii) a New Zealand certificate of citizenship; or d) if a student is unable to obtain a birth certificate for the purposes of (c)(i) above, contact the TEC to confirm that a whakapapa statement signed by both the learner and a kaumātua is acceptable evidence of citizenship.
<p>A New Zealand resident:</p>	<p>a TEO must sight an original or certified copy of one or more of the following documents:</p> <ul style="list-style-type: none"> a) a passport with a current returning residency class visa (a passport with a visa label); or b) a passport and letter or email confirming current returning residency class visa (label-less visa, followed with confirmation with Immigration New Zealand, where appropriate); or c) a certificate of identity from Immigration New Zealand if the student is a refugee.
<p>An Australian citizen or Australian permanent resident currently residing in New Zealand:</p>	<p>a TEO must sight the original or certified copy of one or more of the following documents:</p> <ul style="list-style-type: none"> a) an Australian birth certificate; or b) an Australian passport; or c) a passport with a current Australian resident return visa.
<p>A dependant of diplomatic personnel:</p>	<p>a TEO must sight the original or certified copy of an authorised form from the Ministry of Foreign Affairs and Trade.</p>

Other types of valid domestic enrolments:	a TEO must ensure that a student is an exchange student taking part in a New Zealand Government approved exchange programme at a TEO.
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For the purposes of this condition, a certified copy is a photocopy that has been endorsed as a true copy of the original. To be certified, the document must:

- a) be certified by an official of the issuing authority or a person authorised by law in New Zealand to certify documents, such as a Justice of the Peace, a lawyer, or a court official (Court Registrar or Deputy Registrar); and
- b) have the official's signature on each page, with the name and title of the official shown clearly below his or her signature.

SACNC/021: TEOs to refund fees for early withdrawal from a course

This condition is imposed under section 159YC(2)(b) of the Education Act 1989.

This condition applies:

- a) to a TEO that receives SAC (levels 1 and 2 non-competitive allocation) funding; and
- b) to courses for which the payment of fees is compulsory.

A TEO must not set a withdrawal date, after which a student who withdraws from a course will not receive a refund of any fees paid (or a waiver of any commitment to pay fees), that is earlier than:

- a) for courses offered by a TEO that is not a TEI that are of three months or longer duration, the date that is 8 days after the course commences; or
- b) for all other courses, the date that is the earlier of:
 - (i) one month after the course commences; or
 - (ii) the date at which 10% of the course has been provided.

If, after a student has paid for his or her fees, the TEO is refunding a student's fees (including if the TEO decides to pay for the student's fees through a scholarship), the TEO must refund the student in the manner in which the original fee was paid, either to:

- a) StudyLink, if the student paid for the course using the Student Loan Scheme; or
- b) the student.

The TEO must not seek funding for a learner who withdraws from any course before the appropriate withdrawal date.

If a student withdraws from a course (whether formally or informally), or is expelled, and receives a partial refund of his or her fees, the TEO may only seek funding for the enrolment in the same proportion as the portion of the fees it retains.

SACNC/022: TEO not to induce enrolment

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must not secure or seek to secure a valid domestic enrolment through offering an inducement.

Definition of inducement

For the purposes of this condition, an inducement includes any of the following, where they induce a student to enrol:

- a) a financial benefit to the student; or
- b) a personal advantage to the student; or
- c) a physical item that a student retains possession of after the course of study or training has ended.

For the purposes of this condition, an inducement does not include:

- a) a scholarship, as defined below; or
- b) a physical item that:
 - (i) is essential for a student to complete the compulsory requirements of his or her programme of study (including printed course notes, an e-reader for course notes, course-related textbooks); and
 - (ii) cannot be returned and reused for students in subsequent intakes (for example, due to health and safety reasons; time-limited materials or materials that will be updated; or if it is not financially feasible); or
- c) an item or arrangement that has been approved by the TEC (for example, the TEC may approve an item that has minimal residual value or useful life in the general marketplace, or items that are needed for a student's pathway into the vocation for which study or training has been undertaken); or
- d) the guarantee of a job placement on the successful completion of a programme of study, backed by a partial or total money-back guarantee; or
- e) a conditional offer of a partial refund (such as a refund for a timely or electronic enrolment).

Definition of scholarship

For the purposes of this condition, a scholarship means:

- a) a merit scholarship (or prize) that comprises financial aid given to a student as a result of high academic achievement exceeding that of his or her fellow students or cohort; and/or
- b) a needs scholarship that comprises financial aid given to a student who would otherwise be significantly disadvantaged in accessing education, where the need of the student has been demonstrated through a robust application and assessment process; and/or
- c) any scholarship that:
 - (i) has a clear, focused rationale for its existence; and
 - (ii) has a clearly identified philanthropic aim, or supports study in a particular area of importance to the donor.

SACNC/023: TEO not to claim SAC Funding for learners already holding qualifications at level 2 or higher

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

A TEO that receives SAC (levels 1 and 2 non-competitive allocation) funding must not seek funding for students who already hold a qualification at level 2 or higher on the NZQF if the TEO has already reached the following thresholds:

- a) For qualifications other than ESOL or Te Reo Māori in 2015:
 - (i) for all enrolments in provision at levels 1 and 2 at any TEO, except for enrolments in mātauranga Māori qualifications at wānanga, students who already hold a qualification at level 2 or higher on the NZQF (or equivalent) comprise more than 10% of enrolments at each TEO; and
 - (ii) for enrolments in mātauranga Māori qualifications at wānanga, students who already hold a qualification at level 2 or higher on the NZQF (or equivalent) comprise more than 20% of enrolments at each wānanga.
- b) For qualifications other than ESOL or Te Reo Māori in 2016:
 - (i) for all enrolments in provision at levels 1 and 2 at any TEO, except for enrolments in mātauranga Māori qualifications at wānanga, students who already hold a qualification at level 2 or higher on the NZQF (or equivalent) comprise more than 10% of enrolments at each TEO; and
 - (ii) for enrolments in mātauranga Māori qualifications at wānanga, students who already hold a qualification at level 2 or higher on the NZQF (or equivalent) comprise more than 10% of enrolments at each wānanga.

SACNC/024: TEO not to restrict enrolment on the basis of private advantage

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must not restrict enrolment in a SAC-funded programme or training scheme on the basis of private advantage (for example, restricting enrolment to the TEO's employees only).

SACNC/025: TEO not to claim SAC funding for recognised prior learning

This condition is imposed under section 159YC(2)(b) of the Education Act 1989.

The TEO must not seek SAC funding for recognised prior learning credited to a student.

To ensure that the TEO is able to comply with this condition, the TEO must:

- a) ask a student to specify prior learning he or she has undertaken; and
- b) review the information provided by the student when admitting a student into a programme or qualification; and
- c) retain documents that confirm that the student has demonstrated the required knowledge or skill.

Recognised prior learning does not include repeated learning that the applicable quality assurance body requires students to repeat periodically.

SACNC/026: TEO providing programmes leading to qualifications at levels 1 and 2 on the NZQF to limit fees

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

This condition applies to a TEO that receives in 2015 SAC (levels 1 and 2 non-competitive allocation) funding.

The TEO must not:

- a) charge a fee to a student enrolled in a course that receives SAC (levels 1 and 2 non-competitive allocation) funding if that student is aged under 25 years old at the time that the course commences; or
- b) charge a higher fee for any course that receives SAC (levels 1 and 2 non-competitive allocation) funding than what the TEO charged for the same course, the last time that the TEO offered that course and charged a fee.

A fee associated with a particular course is subject to this condition if:

- a) the TEO is the sole source of the item to which the fee relates; and
- b) all students who are valid domestic enrolments for the course are required to pay the fees.

For the purposes of this condition, the term “fees” includes tuition fees, compulsory course costs, examination fees, material charges, costs of field trips, costs associated with the compulsory purchase of equipment or books through the TEO, and other charges associated with a course.

However, the term “fee” does not include compulsory student service fees or fees for student identification cards.

SACNC/027: TEO that subcontracts delivery to comply with requirements

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must not subcontract delivery of any programme, training scheme, component course or part of a course unless the TEO:

- a) has prior written consent from the TEC; and
- b) complies with any conditions imposed by the TEC on a consent to subcontract; and
- c) ensures that a subcontracted party does not further subcontract any functions; and
- d) remains accountable for the use of the SAC funding.

SACNC/028: TEO not to receive other Crown funding

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must:

- a) not (without the TEC's prior written consent) seek or obtain any funding from any Crown source other than the TEC to fund a programme or training scheme that is delivered using SAC funding (including SSG funding); and
- b) notify the TEC immediately if it becomes aware of any circumstances that might result in a breach of subparagraph (a) of this condition.

SACNC/029: TEO to use funding responsibly

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must only use SAC funding (including SSG funding):

- a) lawfully, responsibly, and for the purposes for which the funding is provided; and
- b) in a manner consistent with the appropriate use of public funds.

SACNC/030: TEO to repay funding following revocation of funding approval

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

If a TEC revokes some or all of a TEO's SAC funding (including SSG funding) under section 159YG or 159ZF of the Education Act before some or all of that funding has been used or contractually committed towards the purposes for which it was provided, the TEO must treat the unexpended or uncommitted portion of funding as a debt due to the Crown that:

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

SACNC/031: TEO to repay over-funding

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

If the TEO receives funding (including SSG funding) that was greater than it should have been, or that the TEO was not entitled to receive, then the TEO must treat the amount of the over-funding as a debt due to the Crown that:

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

For the purposes of this condition, in relation to SAC funding that is not SSG funding, a TEO will have received funding that was “greater than it should have been” if the total dollar value of the SAC-funded provision at levels 1 and 2 that was delivered by the TEO within the funding year is less than 99% of the total dollar value of the SAC provision paid to the TEO from SAC.

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.

SACNC/032: TEI to meet benchmarks

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

This condition applies to a TEI that receives SAC funding.

The 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 the vendor over follow-up questions and related quality assurance processes, in a timely manner.

For the purposes of this condition, ‘benchmarking’ is defined as the New Zealand Benchmarking Tool.