

MP for Rimutaka

Minister of Education

Minister of State Services

Leader of the House

Minister Responsible for Ministerial Services



02 MAY 2018

Nigel Gould
Tertiary Education Commission Chair
PO Box 27048
Wellington 6141

Dear Nigel

Determination of Design of Funding Mechanism: National Centre for Tertiary Teaching Excellence

I am writing to advise you of the new funding determination that I have made under section 159L of the Education Act 1989 for the National Centre for Tertiary Teaching Excellence.

The new determination is set out in the appendix to this letter, and is to fund activities delivered from 1 July 2018.

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

A handwritten signature in blue ink, appearing to read 'CHIPKINS'.

Chris Hipkins
Minister of Education

DETERMINATION OF DESIGN OF FUNDING MECHANISM: NATIONAL CENTRE FOR TERTIARY TEACHING EXCELLENCE

Purpose

1. The purpose of the National Centre for Tertiary Teaching Excellence (the Centre) is to contribute to excellent educational outcomes for learners through a focus on working in partnership with Tertiary Education Organisations (TEOs) to enhance the effectiveness of teaching and learning. The Centre will be hosted by a TEO funded under the following mechanism.

Statutory authority

2. This funding mechanism is made under section 159L of the Education Act 1989 (the Act).
3. Funding is to be provided under section 159ZC of the Education 1989 (funding other than via a plan).

PART ONE: THE FUNDING MECHANISM

General Parameters

Effective period

4. This funding mechanism is to fund activities delivered from 1 July 2018.
5. The TEC may exercise any of its administrative functions as required to give effect to this funding mechanism before 1 July 2018.

Available funding

6. The total Government funding that can be allocated under this funding mechanism will be set through the Government's annual Budget processes.

Functions of the National Centre for Tertiary Teaching Excellence

7. The Centre will have the following functions:
 - a) building the teaching capacity of tertiary education organisations and educators,
 - b) commissioning and, where appropriate, conducting research, monitoring and evaluation about effective teaching and learning in tertiary education, and
 - c) providing associated advice to the tertiary education sector and government agencies.

TEO eligibility

8. Only TEOs as defined by s159B of the Education Act 1989 are eligible to be funded to host the Centre.

Assessment criteria for selection of TEO to host the Centre

9. The following general criteria must be used by the TEC in selecting the host TEO for the Centre:
 - a) whether the TEO has the ability to operate a Centre that will:
 - i. contribute to the Tertiary Education Strategy,
 - ii. serve the interests of all TEOs, and build and have tertiary education involvement from across the tertiary education sector,
 - iii. offer value for money and efficiency,
 - iv. provide effective governance and management, and
 - b) whether the TEO has a strong commitment to effective teaching and learning in tertiary education, and
 - c) whether the organisation has an acceptable risk profile, and
 - d) whether the TEO can adequately demonstrate that:
 - i. it will only use the funding to support new activities or complement existing work,
 - ii. it will avoid unnecessary duplication of existing work, research and knowledge,
 - iii. it will not use funding for activities that have existing financial support,
 - iv. the activities of the Centre will comply with any relevant legal obligations, and
 - e) whether the TEO has an acceptable level of performance in achieving the specified outcomes in its investment plan in the previous three years, and
 - f) whether the TEO is likely to be able to undertake the project successfully, having regard to the TEO's experience and past performance in the application of development funding to deliver successful outcomes.

Funding

10. The Centre's purpose and funding must be consistent with paragraphs 1 and 8 of this funding mechanism.
11. Funding may be allocated to a TEO under this funding mechanism (by way of any funding agreement or otherwise) for a maximum term of up to five years.
12. The TEC will develop and apply an annual funding formula for the Centre that balances Government's contribution with increasing contributions from the tertiary sector and/or TEOs.
13. Funds allocated to a TEO to host the Centre may be reallocated by the host TEO to other TEOs for the purposes of sub-contracting research, monitoring and evaluation about effective teaching and learning in tertiary education.

PART TWO: FUNDING CONDITIONS

General Conditions

14. The TEC may impose any conditions on funding that are necessary to ensure that the host TEO for the Centre is adequately accountable to TEC for the use of funding solely for the purpose set out in this determination.

Specific Conditions

15. The TEC must impose the following specific conditions on funding under this determination:

Sector funding targets

16. It is a condition that each year the Centre must meet any target for direct sector funding specified in the funding agreement between the TEC and the host TEO. The TEC will set the sector funding targets.

Use of funding

17. It is a condition that funding must be used to establish and/or operate the Centre. The host TEO will take responsibility for the management and coordination of the Centre, and provide general support for the Centre's activities.

Recovery of over-funding

18. It is a condition that if the results of an audit, reporting or statistical returns of the host TEO 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.

Repayment of funding following revocation of funding approval

19. It is a condition that, if a TEO's funding for the provision of the Centre is revoked under section 159ZF by the TEC before some or all of the funding provided to the TEO 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

20. It is 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:
- a) repayable on demand by the TEC; and
 - b) subject to the TEC's set-off rights under any funding condition.

Set-off

21. It is 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).