

## **Student Achievement Component (SAC) at level 3 and above on the New Zealand Qualifications Framework (SAC3+) – conditions on funding**

### **SAC3+/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 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 forecast of EFTS*

The TEO must supply to the TEC a forecast of its likely SAC EFTS at levels 3 and above on the NZQF in accordance with the SDR Manual.

#### *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 ([STEEO](#)) website. For more information, please refer to the [SDR Manual](#) and SDR Appendices.

#### *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 required)*

For the purposes of determining the fee to be used in calculating the Annual Maximum Fee Movement (AMFM), the TEO must provide the TEC with information about:

- a) the highest fee charged to a student;
- b) the usual fee charged to a student; and
- c) any discounted fees charged to a student.

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) it is no longer able to comply with a condition of funding.

*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).

**SAC3+/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, for the period of funding approval, continue to be:

- a) a university; or
- b) an institute of technology or polytechnic (ITP); or

- c) a wānanga; or
- d) a PTE; or
- e) a rural education activities programme (REAP) provider.

**SAC3+/003: TEO to be quality assured**

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, wānanga, PTE or a REAP provider; or
- b) the New Zealand Vice-Chancellors' Committee (NZVCC), if the TEO is a university.

**SAC3+/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.

**SAC3+/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.

**SAC3+/006: TEO to ensure SAC programmes and qualifications are eligible**

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

The TEO must ensure that a SAC-funded course in which a student is enrolled is and continues to be:

- a) part of a programme that:
  - (i) leads to the award of a qualification at levels 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 the applicable quality assurance body; or

- b) part of a training scheme that:
  - (i) leads to an award that is not a qualification listed on the NZQF;
  - (ii) has been quality assured by either the NZQA or the New Zealand Vice-Chancellor's Committee on University Academic Programmes (CUAP) as appropriate.

*TEO not to use SAC funding for certain post-entry health-related professional qualifications*

The TEO must not use SAC funding for a course that is part of a programme that leads 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; or
- b) a requirement for clinical education and training or an emphasis on specialist clinical professional skills.

*TEO not to use SAC funding for pre-service teacher training*

Unless the TEC provides an exemption to the TEO, the TEO must not use SAC funding 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.

The TEC may only provide an exemption if Ministry of Education (Education Workforce Policy unit) advises that the Minister of Education has granted an exemption to the moratorium on pre-service teacher training.

*TEO not to use SAC funding for health and safety regulatory compliance learning*

The TEO must not use SAC funding to fund 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.

For the purposes of this condition, health and safety or regulatory compliance learning that the TEC will not fund includes:

- a) a training scheme or workplace training that is designed primarily to equip a participant with the skills and knowledge that he or she needs to carry out a given task or function in a manner that complies with a specific health and safety and/or regulatory compliance requirement; or
- b) learning that displaces the responsibility of an employer to provide the necessary training for the mitigation of health and safety, and regulatory compliance risks; or
- c) a qualification that contains learning about health and safety and/or regulatory compliance that it will only lead to the completion of health and safety and/or regulatory compliance learning, rather than a whole qualification.

**SAC3+/007: 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.

**SAC3+/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.

**SAC3+/009: 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 2 of the Determination of design of funding mechanism: Student Achievement Component - Provision at level 3 and above on the New Zealand Qualifications Framework and dated 18 July 2014.

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

### **SAC3+/010: Certificates of proficiency and short awards**

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

The TEO must:

- a) set up a Certificate of Proficiency (COP) or a Certificate of Personal Interest (CPI) as a generic qualification under which to record individual programmes of study that consist of courses or unit standards selected from approved qualifications; and
- b) ensure the applicable quality assurance body approves a COP and/or a CPI as generic qualifications and seek the TEC's approval to add them to the TEC Qualifications Register; and
- c) claim no more than 5% of their EFTS units as a COP, CPI, or short award.

### **SAC3+/011: 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 REAP provider; or
  - ii) NZQA or the TEO's Academic Board, if the TEO is an ITP or a wananga; or
  - iii) CUAP or the TEO's Academic Board, 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;
- 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 NZQF; 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.

**SAC3+/012: 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.

**SAC3+/013: 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 Qualifications Register.

*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 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.

**SAC3+/014: 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, PTE or REAP provider, and CUAP 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.

**SAC3+/015: 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.

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.

### **SAC3+/016: 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 for programmes of study or training for valid domestic enrolments. A “valid domestic enrolment” refers to the enrolment of a student who is:

- a) one of the following:
  - i) a domestic student; 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 established by the TEC for a valid domestic enrolment of a student aged under 16 years; and
- c) 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) has paid or committed to pay his or her fees (if fees apply), unless the student meets the criteria established by the TEC for a valid domestic enrolment of a student who has not paid or committed to pay his or her fees.

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

#### *An international student involved in postgraduate research*

A student is considered to be involved in international post graduate research if the programme of study in which they are enrolled is:

- a) level 9 or higher on the NZQF (Masters level or higher); and
- b) wholly research (for example, 120 point thesis).

#### *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 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.

#### *Students who have not paid or committed to pay fees*

A student is considered not to have paid his or her fees, and is not a valid domestic enrolment, if he or she has:

- a) withdrawn from a course (whether formally or informally) or is expelled; and
- b) been refunded all of his or her fees (or had any commitment to pay fees waived).

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 SAC funding for the enrolment in the same proportion as the portion of the fees it retains. To avoid doubt, if such a student receives no refund, he or she remains a valid domestic enrolment.

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.
- 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.

The TEO must not claim funding for a learner who withdraws from any course, eligible for SAC-funding, before the appropriate withdrawal date.

To avoid doubt, if, after a student has paid for his or her fees, the TEO decides to pay for the student's fees through a scholarship, the student remains a valid domestic enrolment.

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.

### **SAC3+/017: 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/or has the appropriate student visa; 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, the date of the withdrawal, and whether the withdrawal was within the withdrawal period; 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.

#### **SAC3+018: TEO to verify student's 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.

**SAC3+/019: 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 SAC3+/016: TEO to ensure student enrolled in SAC course is eligible, the TEO must use one of the following verification methods:

Type of student	Verification methods
A New Zealand citizen	<p>a TEO must:</p> <ul style="list-style-type: none"> <li>a) confirm the student's citizenship status using the student's NSN; or</li> <li>b) receive an assertion through <a href="#">RealMe®</a> that the student was born in New Zealand (prior to 2005); or</li> <li>c) sight an original or certified copy of one or more of the following documents:                             <ul style="list-style-type: none"> <li>i) a New Zealand birth certificate; or</li> <li>ii) a New Zealand passport; or</li> <li>iii) a New Zealand certificate of citizenship; or</li> </ul> </li> <li>d) if a student is unable to obtain a birth certificate for the purposes of (d)(i) above, contact the TEC to confirm that a whakapapa statement signed by both the student and a kaumātua is acceptable evidence of citizenship.</li> </ul>
A New Zealand resident:	<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"> <li>a) a passport with a current returning residency class visa (a passport with a visa label); or</li> <li>b) a passport, and letter or email, confirming current returning residency class visa (label-less visa, followed</li> </ul>

	<p>by confirmation with Immigration New Zealand, where appropriate); or</p> <p>c) a certificate of identity from Immigration New Zealand if the student is a refugee.</p>
<p>An Australian citizen or Australian permanent resident currently residing in New Zealand:</p>	<p>a TEO must sight an original or certified copy of one or more of the following documents:</p> <p>a) an Australian birth certificate; or</p> <p>b) an Australian passport; or</p> <p>c) a passport with a current Australian resident return visa.</p>
<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>
<p>Other types of valid domestic enrolments:</p>	<p>a TEO must ensure that a student is either:</p> <p>a) an exchange student taking part in a New Zealand Government approved exchange programme at a TEO; or</p> <p>b) an international student involved in postgraduate research.</p>

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.

### **SAC3+/020: 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.

**SAC3+/021: 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).

**SAC3+/022: TEO not to seek 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;
- 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 or training that the applicable quality assurance body requires students to repeat periodically.

**SAC3+/023: TEO not to exceed Annual Maximum Fee Movement**

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

This condition applies to a TEO that offers:

- a) any course at level 3 and above on the NZQF that the TEO also offered in the previous year; or
- b) any new course established by a TEO in substitution for an existing course dealing with the same or similar subject matter, at the same or similar level on the NZQF.

The TEO must not increase the fees charged to domestic students for any course at level 3 and above on the NZQF, for which the TEO receives SAC funding, within a year by more than 4% of what the TEO charged domestic students in the previous year (the Annual Maximum Fee Movement) (AMFM), unless the TEC has granted an exemption to the TEO.

The TEO must not charge a domestic student a fee for a new course, established by a TEO in substitution for an existing course dealing with the same or similar subject matter, at the same or similar level on the NZQF, that are more than 4% greater than the fee that the TEO charged domestic students in the previous year for the course that is being substituted, unless the TEC has granted an exception to the TEO.

If the fees for the course in the previous year were less than \$444.44 (GST exclusive) per EFTS in the previous year, the TEO may increase the fees for that course by up to the greater of:

- a) \$444.44 (GST exclusive) per EFTS; or
- b) the previous year's fee plus 4%.

#### *Definition of domestic student*

For the purposes of this condition, "domestic student" has the same meaning as in the definition of "domestic student" in section 159 of the Education Act 1989.

#### *Definition of a course*

For the purposes of this condition, a course means a SAC-funded course that:

- a) is part of a short award, certificate, diploma, degree, or postgraduate qualification; and
- b) is part of a programme that leads to a qualification listed at level 3 or above on the NZQF, including professional masters programmes.

If a course spans more than one calendar year, the applicable fee for the purpose of this condition is the fee applying to the course in the calendar year in which the course started.

#### *Definition of fees*

This condition applies to fees that each domestic student enrolled in a SAC-funded course must pay.

This condition applies to fees if the TEO is the sole source of the costs (for example, course materials that are specific to the TEO) to which the fee relates.

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 following items are not fees for the purposes of this condition:

- a) the cost of returning exam scripts or exam recounts; or
- b) international handling charges for domestic students living overseas and studying extramurally; or
- c) compulsory books or equipment that each student can purchase from either the TEO or another source; or

- d) student service levies approved by the TEO's governing body; or
- e) accommodation charges other than those incurred on a field trip; or
- f) bond payments.

The fees to be used in calculating the AMFM are the highest fees charged to an intake of students.

If fees are routinely discounted (such as a low or zero-fees scheme), the TEO must obtain permission from the TEC to set its benchmark higher than the highest fees actually charged to an intake of students.

#### *Exceptions to the Annual Maximum Fee Movement*

The TEO may increase its fees by up to an additional 4% above the AMFM if the TEC grants the TEO an exception to this condition. The TEC will only grant an exception if it is satisfied that:

- a) the TEO is unable to support each course to which the exception relates and remain financially viable; and
- b) for a course that is part of a programme that leads to a qualification at levels 3 to 8 on the NZQF, the completion rate for that qualification met or exceeded the median performance benchmark in the previous year; and
- c) the TEO can demonstrate that the qualification is in some way unique or special (for example, there are no local alternatives to the qualification available); and
- d) not allowing the 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.

To apply for an exception, a TEO must use templates specified on the TEC's website.

If a TEO wishes to apply for an exception for a course, the TEO must send the application to the TEC's Sector Helpdesk by the date specified by the TEC on the TEC's website.

Any submissions from student bodies should be received no later than one week after receipt of the TEO's application.

#### *TEO to reimburse student for overcharged fees*

If the TEO breaches the AMFM, the TEO must refund the student the part of the fee that was overcharged.

The refund must be given to:

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

**SAC3+/024: 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 the consent to subcontract; and
- c) ensures that the subcontracted party does not further subcontract any functions; and
- d) remains accountable to the TEC for the use of the SAC funding.

**SAC3+/025: 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; 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.

**SAC3+/026: 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:

- 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.

**SAC3+/027: TEO to repay funding following revocation of funding approval**

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

If the TEC revokes some or all of a TEO's SAC funding under section 159YG of the Education Act 1989 before some or all of that funding has been used or contractually committed towards the purposes for which the funding was provided, the TEO must treat the unexpended or uncommitted portion of the funding as debt due to the Crown that is:

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

### **SAC3+/028 TEO to repay over-funding**

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

If the TEC considers on reasonable grounds that a TEO has received 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 over-funding as a debt due to the Crown that:

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

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 SAC-funded provision that was delivered by the TEO within the funding year is less than 99% of the total value of the 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.

### **SAC3+/029: TEO to repay Skills for Canterbury (SFC) funding in certain circumstances**

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

If the dollar value of the delivery of both the SAC-funded provision at level 3 or above on the NZQF and SFC-funded provision delivered by the TEO:

- a) together comprise less than 99% of the total SAC funding (i.e. excluding the SFC funding), the amount of overfunding that the TEO must repay the TEC is:
  - 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; or
- b) together comprise between 99% to 100% of the TEO's SAC funding, the amount of overfunding that the TEO must repay the TEC is the total amount of SFC funding; or
- c) is more than 100% of the SAC funding, and the dollar value of the SFC-funded provision is less than 100% of the total SFC funding, the amount of overfunding that the TEO must repay the TEC is 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.

In each instance, the TEO must treat the amount of overfunding as a debt due to the Crown that:

- a) is repayable on demand by the TEC; and

b) may be off-set against all or any funding, or any sum of money payable by the TEC to the TEO.

### **SAC3+/030: TEO enrolling a student in pilot training not to approve certain loans**

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

This condition applies to a TEO that is allocated EFTS for aviation provision that includes an in-flight training component (pilot training).

The TEO must supply StudyLink with the correct student enrolment information through the Verification of Study system, and ensure that:

- a) annual student loan fee borrowing for any pilot training student that is studying fulltime does not exceed \$35,000 per EFTS; and
- 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).

### **SAC3+/031: TEI to participate in benchmarking**

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

This condition applies to a TEI.

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.

### **SAC3+/032: TEO not to exceed cap on high cost provision**

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

This applies to a TEO that has been allocated SAC funding from the TEC for one or more of the following types of high-cost provision:

- a) Aviation (qualifications that include an in-flight training component); or
- b) Dentistry (intermediate); or

- c) Medical undergraduates; or
- d) Specialist large animal science; or
- e) Veterinary science.

The TEO must not use SAC funding to fund high-cost provision above the volume of EFTS for the high-cost provision that the TEC has agreed to fund as set out in the TEO's mix of provision and Plan funding approval letter.

**SAC3+/033: TEO enrolling a student of rural origin in Dentistry (intermediate) to ensure student is eligible**

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

This condition applies to a TEO that is allocated EFTS for dentistry (intermediate) year 1 intake for students of rural origin:

The TEO must only use that funding in respect of students who are of rural origin.