

## **The Tertiary Education (2016 Annual Maximum Fee Movement for Information and Communications Technology Graduate Schools) Notice 2015**

Under sections 159L(3)(d) and 159M(b) of the Education Act 1989, the Minister for Tertiary Education, Skills and Employment gives notice of the proposed conditions setting limits on the annual increases that tertiary education organisations (TEOs) may make to fees charged to domestic students enrolled in courses at Information and Communications Technology (ICT) Graduate Schools in 2016.

### **Notice**

**1. Title**—This notice may be cited as the Tertiary Education (2016 Annual Maximum Fee Movement for Information and Communications Technology Graduate Schools) Notice 2015.

**2. Commencement**—The proposed conditions outlined in this notice apply for the 2016 academic year only.

**3. Proposal**—I propose to specify conditions, under section 159L(3)(d), that the Tertiary Education Commission (TEC) must attach to funding provided under the relevant funding mechanism, in particular:

- a. to specify the annual limits by which TEOs can increase fees charged to domestic students enrolled in courses at an ICT graduate school that are leading to short awards, certificate, diploma, degree and postgraduate qualifications that receive Student Achievement Component (SAC) funding in 2016; and
- b. to specify the other conditions in relation to fees that the TEC must attach to SAC-funded courses at ICT Graduate Schools.

**4. Application**—The conditions set out in this notice refer to:

- a. Fees as including the following items: Tuition fees, compulsory course costs, examination fees, other charges associated with a programme of study, material charges, cost of field trips and any compulsory purchase of equipment or books through the organisation.
- b. TEOs, as defined in section 159B, include tertiary education institutions (TEIs) and private training establishments (PTEs).

**5. Call for submissions**—Any TEO and any other person, body or organisation having an interest in the matter is invited to make a submission on the proposed Annual Maximum Fee Movement (AMFM) for SAC-funded courses at ICT Graduate Schools and other proposed conditions set out in this notice.

All submissions should be sent to:

ICT Graduate Schools Annual Maximum Fee Movement Submissions  
Tertiary Education Policy  
Ministry of Education  
PO Box 1666  
Wellington 6140  
Email: tertiary.strategy@education.govt.nz

**6. Date for submissions**—All submissions must be received by **5 November 2015**.

Dated at Wellington this 15th day of October 2015.

Hon STEVEN JOYCE, Minister for Tertiary Education, Skills and Employment.

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### **Proposed Conditions to be Attached to Student Achievement Component (SAC) Funding Allocated and Paid for by the Tertiary Education Commission (TEC) to Tertiary Education Organisations (TEOs) for courses at ICT Graduate Schools**

#### *General*

1. These conditions apply to fees charged for TEOs' SAC-funded provision in ICT Graduate Schools.
2. The fees in relation to a particular course of study or training will be subject to these conditions if:
  - a. the TEO is the sole source of the item to which the cost relates; and
  - b. all students enrolled in the relevant course of study or training are required to pay the fees.

*Annual Maximum Fee Movement (AMFM)*

3. For 2016, the permitted AMFM is a 3% increase on the fees, exclusive of GST, charged in the previous academic year for short awards, certificate, diploma, degree and postgraduate courses at New Zealand Qualifications Framework (NZQF) Level 3, or above that receive SAC funding and are part of a programme of study at an ICT Graduate School.
4. The AMFM applies to any new courses at Level 3 or above on the NZQF established by a TEO in substitution for an existing course dealing with the same or similar subject matter, at a same or similar level on the NZQF, for which SAC funding can be used, and are part of a programme of study at an ICT Graduate School.

*Exceptions to the AMFM*

5. A TEO may apply, on the basis of exceptional circumstances, for exceptions from the 2016 AMFM for SAC-funded courses at ICT Graduate Schools. Any exceptions granted will not exceed an additional 3% increase over and above the permitted 3% increase.
6. In considering exceptional circumstances, the TEC will use the following criteria:
  - a. The organisation is unable to support the course(s) while remaining financially viable;
  - b. for courses at NZQF Levels 3-8, the completion rate for the course met or exceeded the median performance benchmark for that level in the previous year;
  - c. the TEO can demonstrate that the qualification of which the course is a part is in some way unique or special, for example, that there are no local alternatives to the course available; and
  - d. that not allowing an exception will prevent the TEO from making a significant contribution to the achievement of one or more of the Government's priorities, as set out in the Tertiary Education Strategy 2014/2019.
7. An application must satisfy all criteria to gain an exception.

*Low or Zero Fee Courses*

8. If the fees for a course are less than \$511.11 (GST inclusive) (\$444.44 GST exclusive) per Equivalent Full-Time Student (EFTS) in 2015, then for 2016, the TEO can increase the fee to up to \$511.11 (GST inclusive) (\$444.44 GST exclusive) per EFTS, or can increase the fee for the course by 3%, whichever is the greater.

**Note: Effect of this Notice**

*These notes do not form part of this notice, but are intended to indicate its general effect.*

*A. Section 159L(3)(d) of the Education Act 1989 ("Act") provides that the Minister, when determining the design of a funding mechanism, may specify the conditions that the TEC must attach to funding provided under the mechanism, including conditions that limit the fees that an organisation may charge domestic students.*

*B. Under section 159M(b) of the Act, the Minister may not specify conditions setting limits on fees until two months after the date of publication of a notice in the **New Zealand Gazette** that:*

- i. *states that the Minister proposes to specify such conditions;*
- ii. *sets out the proposed conditions;*
- iii. *invites submissions on the proposed conditions; and*
- iv. *specifies the date by which submissions must be received, which must be a date no more than 21 days after the date of the **New Zealand Gazette** notice.*

*C. The conditions setting limits on fees subsequently specified by the Minister in accordance with section 159L(3)(d) of the Act must be attached as conditions on the receipt of funding payable by the Tertiary Education Commission to an organisation under sections 159YA and 159ZC of the Act.*

*D. Under sections 227(1A) and 234A of the Act, TEIs and PTEs respectively must not charge domestic students a fee that exceeds the maximum specified as a condition on funding approved by the TEC under sections 159YA and 159ZC of the Act.*