Tertiary Education Commission
Te Amorangi Mātauranga Matua

SAC levels 3 and 4 competitive pilot for 2017 and 2018 Funding

Request for Funding Applications

Authors

Every effort is made to provide accurate and factual content. The TEC, however, cannot accept responsibility for any inadvertent errors or omissions that may occur.

An electronic copy of this Request for Funding Applications is available from the TEC website: http://www.tec.govt.nz

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1. Introduction

1.1 About this document

As a part of the 2016 investment round, we are piloting a new competitive process to allocate up to $35 million of Student Achievement Component (SAC) funding at levels 3 and 4 on the New Zealand Qualifications Framework (NZQF).

The purpose of this document is to invite applications for funding through the new SAC levels 3 and 4 competitive pilot. This process will allocate funding for provision of qualifications at levels 3 and 4 on the NZQF in the fields of agriculture, horticulture and viticulture[1] for 2017 and 2018. The document also provides details about how to complete and submit the application forms.

1.2 Overview

The TEC is undertaking a competitive pilot to allocate up to $35 million of the $370 million[2] (approximately) of SAC funding we invest in provision at levels 3 and 4 per year. The competitive pilot will select a number of suppliers to deliver agriculture, horticulture and viticulture provision at levels 3 and 4 to in 2017 and 2018.

The pilot is a part of a 'whole of system' approach to investment in primary industries training and education the TEC is undertaking within the 2017-2018 Investment Plan (Plan) round. It is also one of our "quick win" initiatives within the Investment Approach.

Applications for SAC levels 3 and 4 funding must be made in accordance with this Request for Funding Applications. The TEC will not consider requests for SAC funding for qualifications at levels 3 and 4 in the New Zealand Standard Classification of Education (NZSCED) areas specified above outside of this process.For information on tertiary education organisation (TEO) and qualification eligibility see Section 3: Summary of key requirements.

1.3 Indicative timeline

The indicative timeframes for the SAC levels 3 and 4 competitive pilot for 2017 and 2018 funding are summarised in the table below:

Activity	Date (all 2016)
TEC announces pilot	9 June
TEC publishes the Request for Funding Applications document and application forms on the TEC website	30 June
TEC releases the high-level Assessment Framework	11 July
TEC uploads TEC-held performance information to Workspace 2	Mid-July

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[1] As identified using New Zealand Standard Classification of Education (NZSCED) narrow field 0501 and 0503.

[2] The value of delivery in 2014 for SAC at levels 3 and 4 was approximately $380 million; for 2015 it was $367 million.

TEC releases Plan decision-making criteria and evidence example summary table	Mid-July
TEOs submit proposed Plans to the TEC (unless exempt from Plans[3])	*8 July (PTEs)* *31 August (TEIs)*
Last date for submitting questions	10 August
Opening date for submission of applications	11 August
Deadline for submission of applications	**5pm 24 August**
TEC advises TEOs of the outcome of the SAC levels 3 and 4 competitive pool for 2017 and 2018	Early October
TEOs with prisoner education allocations agree final details with Corrections	Early October
TEC approves Plan funding (unless exempt from Plans)	October / November
TEOs have New Zealand Qualifications Authority programme approval in place	30 November
Funding mechanism for SAC levels 3 and 4 competitive allocation issued	Late 2016
TEOs advised of the final funding decisions and funding conditions via Funding Letters	Late 2016
Delivery begins	From January 2017

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[3] See the TEC website for information about TEOs required to submit a proposed Plan for 2017 funding, and Plan exemptions.

2. Policy objectives

Provision at levels 3 and 4 is designed to qualify individuals with the knowledge and skills to work within an industry or area of work, or to prepare the learner for entry into higher-level study[4].

The aim of this new allocation approach for levels 3 and 4 is to:

› promote greater competition across tertiary education providers and direct investment towards higher quality delivery at qualification levels 3 and 4;

› drive increased tertiary education sector responsiveness to industry needs at qualification levels 3 and 4;

› improve outcomes for students by strengthening pathways from qualification levels 3 and 4 into higher-level education or employment; and

› provide more certainty that funding rates accurately reflect the costs of delivery at qualification levels 3 and 4.

The competitive pilot provides an opportunity to better align tertiary delivery at levels 3 and 4 with the needs of industry – supporting the Tertiary Education Strategy 2014-2019 Priority 1, delivering skills for industry. It also supports improved achievement rates at level 4 and the achievement of the Better Public Services targets Result Area 6.

A skilled workforce supports economic growth, innovation and productivity. Individuals with higher-level qualifications (particularly at levels 4 and above) tend to have better economic and social outcomes.

Why focus on primary industry provision at levels 3 and 4?

Agriculture, horticulture and viticulture are areas of national importance and account for 6.8%[5] of New Zealand's Gross Domestic Product (GDP). New Zealand's primary sector export revenue is expected to increase to $37.6B in the year ending June 2016, an increase of $1.9B from the year ended June 2015.

Currently, there are nine occupations on the government's immediate skills shortage list that list specific level 3 and 4 agriculture, horticulture and viticulture qualifications.

The competitive pilot provides an opportunity for us to invest in provision that is high value to both employers and students, creates strong pathways from education to employment, and is responsive to labour market and skill need.

The competitive pilot also provides us the opportunity to ensure delivery is appropriately funded and does not unnecessarily duplicate industry training provision. Provision at levels 1 - 4 that is delivered primarily within the workplace, or where the workplace

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[4] Paraphrase of the NZQF level descriptors from NZQA http://www.nzqa.govt.nz/assets/Studying-in-NZ/New-Zealand-Qualification-Framework/requirements-nzqf.pdf

[5] This has been calculated from the latest nominal annual national accounts information published by Statistics NZ http://www.stats.govt.nz/browse_for_stats/economic_indicators/NationalAccounts/NationalAccountsIndustryBenchmarks_HOTPYeMar13.aspx

provides a significant role in the acquisition of skills or knowledge, may be better suited to delivery through industry training.

Building on previous work

In 2014, the TEC and the Ministry for Primary Industries (MPI) worked together in the Primary Industry Future Capabilities project to forecast and respond to future education and training needs in the primary industry sector. As a result of this work, throughout 2015 and 2016 the TEC encouraged providers and industry training organisations (ITOs) to shift towards more high-level provision (levels 4 and above). However, most provision remains at levels 3.

It's part of a wider investment focus

There are some high-level shifts we expect to see in 2017-2018 proposed delivery. For primary industry provision in 2017 and 2018, we will be particularly looking for:

› providers working better with schools to engage school leavers and to ensure they have enough information to understand, and prepare for opportunities in the sector;

› provision at levels 3 and 4 on the NZQF which is linked to employment;

› provision that does not unnecessarily duplicate industry training provision;

› an increase in volumes of delivery at levels 5 and 6 on the NZQF;

› enhanced innovation capability at levels 7 and above on the NZQF;

› direct pathways from levels 3 and 4 to higher levels of education;

› delivery of New Zealand qualifications resulting from the Targeted Review of Qualifications; and

› initiatives aimed at raising participation and achievement rates of Māori and Pasifika students.

These goals were outlined in the *Tertiary education and the primary industry sector: Discussion document* recently published by the TEC. This document set the context for investment in primary industries training and education as part of the current Plan round. It is one of the strategic investment opportunities signalled in the TEC's 2017 and 2018 Plan Guidance which is available on our website.

How does the pilot relate to other initiatives?

TEOs can charge fees

Unlike the SAC levels 1 and 2 competitive process, TEOs who are funded through the SAC levels 3 and 4 competitive funding pilot will be able to charge course fees. Policy requirements regarding the setting of fees and increases to fees charged (e.g. the Annual Maximum Fee Movement[6]) will continue to apply.

Fee information for all proposed qualifications will be collected separately in the proposed Mix of Provision (MoP) (Part B).

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[6] The proposed settings for the 2017 Annual Maximum Fee Movement were published 16 June 2016 https://gazette.govt.nz/notice/id/2016-go3429

Māori and Pasifika Trades Training (MPTT)

Any MPTT provision within the scope of the pilot (NZSCED 0501, 0503) will be excluded from the competitive pilot process. This recognises the differences in policy settings for MPTT which has age and ethnicity criteria, and is fees-free. It also ensures the continuity of existing programmes.

MPTT provision will be allocated through the usual investment round process and be funded at the applicable SAC funding rates.

Grand-parenting arrangements

There may be grand-parenting arrangements available for any TEOs who currently deliver provision in the pilot focus areas but are unsuccessful through the SAC levels 3 and 4 competitive pilot.

The TEC will let affected TEOs know what grand-parenting arrangements may be available once final funding decisions have been made later in 2016. Any arrangements will seek to ensure that students enrolled in agriculture, horticulture and viticulture qualifications are able to complete their studies. This may not be at the TEO where the student was originally enrolled.

2.1   Objectives for education

The TEC will use SAC funding at levels 3 and 4 to purchase provision that:

› supports successful completion of a level 3 or 4 qualification;
› equips students with the knowledge and skills to work within the agriculture, horticulture and viticulture industries;
› results in successful completion of a level 3 or 4 programme that enable students to pathway to skilled employment or higher-level education (including industry training);
› offers delivery, teaching methods and contact hours that are appropriate for the types of learners being targeted by the organisation; and
› does not unnecessarily duplicate provision already offered by industry training organisations (ITOs).

2.2   Learner outcomes sought

The TEC will use SAC funding at levels 3 and 4 to purchase provision that will support students to achieve the following outcomes:

› successful completion of a level 3 or 4 programme leading to successful study at higher levels; or
› successful completion of a level 3 or 4 programme leading to skilled employment (including industry training).

2.3   Funding for full qualifications

The TEC will only use competitive SAC funding at levels 3 and 4 to purchase full qualifications of 40 credits or more that are National Qualifications or New Zealand Qualifications on the NZQF.

Local qualifications will only be considered where the replacement qualification is not

yet available on the NZQF, and must have an embedded National Qualification of 40 credits or more.

The TEC may give preference to purchasing New Zealand Qualifications resulting from the Targeted Review of Qualifications (TRoQ) process run by the New Zealand Qualifications Authority (NZQA).

The TEC encourages TEOs to transition to New Zealand Qualifications as soon as practical.

Note: Courses at levels 3 and 4 that are credited toward qualifications at level 5 or above will continue to be funded via other funding mechanisms.

2.4   Focus on priority group students

The educational success of Māori, Pasifika and students under 25 years old is a priority in the Government's *Tertiary Education Strategy* and for the TEC. These students are under-represented in higher education.

We expect that TEOs applying for SAC levels 3 and 4 funding through the 2016 competitive pilot will be able to demonstrate past success in attracting and supporting priority group students. This should include supporting students to pathway from foundation education to provision at levels 3 and 4, to achieve excellent results in sub-degree level provision, and make successful transitions into higher-level education or the workplace.

3. Summary of key requirements

Applicants receiving SAC levels 3 and 4 competitive funding must meet the eligibility criteria, funding conditions, and other requirements that will be set out in the applicable Determination of Design of Funding Mechanism[7] for 2017 and 2018. This section summarises key requirements.

The final set of funding conditions and requirements will be set out in funding letters that the TEC will provide to TEOs in late 2016.

Eligible TEOs

To be eligible to receive funding through the SAC levels 3 and 4 competitive funding pilot in 2017 and 2018, a TEO must:

› be a university, institute of technology and polytechnic (ITP), wānanga, or a private training establishment (PTE); and

› have been funded by the TEC (directly not via subcontracting arrangements) for Youth Guarantee or SAC provision in 2015 (at any NZQF level and doesn't have to be in agriculture, horticulture or viticulture); and

› have an NZQA external evaluation and review (EER) Category One or Two rating in its most recent EER assessment (except for universities) as at August 2016.

A TEO that has not yet had an EER is eligible to apply.

The restrictions on eligibility are in place to ensure that the TEC funds TEOs which have a good track record in delivering education.

Students

TEOs must ensure that students enrolled in provision funded through the SAC levels 3 and 4 competitive funding pilot meet the requirements for valid domestic enrolments (for more information see the TEC website).

This is likely to include requirements for students to:

› be a domestic student ordinarily resident in New Zealand, or an Australian citizen or Australian permanent resident currently residing in New Zealand, and

› be one of the following:
  o aged 16 years and over, or
  o aged under 16 years and meets the criteria determined by the TEC, and

› not reside overseas.

Qualifications

All qualifications proposed in your organisation's application for competitive SAC levels 3 and 4 funding must:

› be a full qualification (40 credits or more) on the NZQF (or if it is a local qualification

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[7] The TEC expects the Minister for Tertiary Education and Employment to issue the applicable Determination of Design of Funding Mechanism later in 2016. TEOs will be notified of any new funding conditions included in the new determination.

> this must have an embedded national qualification of 40 credits or more);

› be in the field of agriculture, horticulture or viticulture as identified by the New Zealand Standard of Classification of Education (NZSCED);

› lead to the award of a qualification at level 3 or 4 on the NZQF;

› where it is a level 3 qualification, include an assessment process, under which students are assessed using the Literacy and Numeracy for Adults Assessment Tool (Assessment Tool).

The requirement for TEOs to use the Assessment Tool to assess students enrolled in level 3 qualifications reflects existing provisions within the MPTT initiative and feedback from the Primary Industries Industry Training Organisation regarding trainee literacy and numeracy requirements[8]. Students must complete an initial and a progress assessment to measure literacy and numeracy gains.

Qualifications where the majority of the programme of study or training relates to health and safety or regulatory compliance learning are not eligible to receive funding through this competitive pilot.

Expiring qualifications

Local or national qualifications that expire before 1 January 2017 a result of a review by NZQA will not be eligible to be funded through the SAC levels 3 and 4 competitive funding pilot.

Accreditation and approval

TEOs must have accreditation from the NZQA (or the Committee on University Academic Programmes (CUAP)) to deliver approved programmes at levels 3 and 4 on the NZQF by 30 November 2016.

As a result of the TRoQ, some qualifications invested in through this process may change or become obsolete. The TEC will manage any issues that arise as a result on a case-by-case basis with individual TEOs.

TEOs funded through the competitive pilot are expected to transition to New Zealand Qualifications as soon as practically possible. The TEC expects that the majority of SAC levels 3 and 4 qualifications offered from 2018 will be New Zealand Qualifications.

Relationship to performance–linked funding

All SAC levels 3 and 4 provision is subject to performance-linked funding (including competitively allocated provision). The performance measures at levels 3 and 4 emphasise the importance of course and qualification completion. Additional information about performance-linked funding is available on the TEC website.

Relationship with the Annual Maximum Fee Movement (AMFM) policy

The AMFM fees policy applies to all SAC-funded provision at levels 3 and above in all TEOs (including provision funded through the SAC Levels 3 and 4 competitive allocation pilot). Additional information on the AMFM fees policy is available on the TEC website.

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[8] https://primaryito.ac.nz/about/learning-support/

Reporting

TEOs must use the Single Data Return (SDR) to report student enrolments, and course and qualification completions.

Supplementary reports may also be required and must be provided if requested.

Financial viability requirements for TEC-funded private training establishments

All PTEs funded by the TEC must meet the TEC's prudential financial standards for PTEs. More information on the prudential financial standards for PTEs can be found on the TEC website at http://www.tec.govt.nz/teo/working-with-teos/ptes/financial-viability/.

4. Application requirements

4.1 Two parts to the application form

Applicants are required to complete the application forms in order to be considered for SAC levels 3 and 4 funding.

The application contains two parts:

› **Part A** seeks information about the Applicant's strategies, experience, and capabilities in the delivery of levels 3 and 4 education.

› **Part B** (an Excel file) requests details of the prices, volumes, provision types, and delivery sites of the Applicant's proposed qualifications.

Both parts of the application must be completed for an application to be considered.

4.2 Completing Part A of the application form

Each Applicant must ensure that its application form fully addresses each section and complies with the stated requirements for each section.

This information must comply with the following requirements:

› be typed (not be handwritten);

› have margins that are 2.54 cm;

› have a font size of at least 10 point;

› not exceed the page length specified for the section;

› clearly state the name of the Applicant; and

› have a completed declaration signed with a handwritten signature (not typed).

Any information over the page limits specified for each section **will be removed**, and not considered in the assessment process.

Applicants must not submit marketing material or testimonials. Additional information will not be considered in the assessment process.

4.3 Part A – information requirements

Each Applicant must submit information about how it, and its proposed levels 3 and 4 provision, meets the quality dimensions set out below.

When assessing how well an application meets these dimensions, the TEC will consider both the information Applicants provided in Part A and TEC-held performance information.

The TEC will provide Applicants with TEC-held performance information via Workspace 2. This information will assist Applicants to identify data quality issues before applications close.

All queries about the TEC-held performance information should be directed to the Sector Helpdesk, email [sectorhelpdesk@tec.govt.nz].

Any questions about the SAC levels 3 and 4 competitive pilot should be emailed to SAC3-4Competitivepilot@tec.govt.nz.

Description of Quality Dimensions

Capability in providing skills for industry

The Applicant demonstrates:

› its connection to industry and employers,

› its ability to forecast and respond to current and future education and training needs in the primary sector, and

› how the provision pathways students to higher-level education (including industry training) or skilled employment.

Capability in delivering high-quality provision

The Applicant demonstrates the capability, experience, skills and organisational capacity to apply pedagogical best practice to deliver high-quality learning and to ensure students successfully complete their courses.

Experience targeting and supporting students

The Applicant demonstrates how it ensures students are adequately informed about primary sector employment requirements and opportunities.

The Applicant demonstrates how it works with local communities (including Māori and Pasifika groups) to attract, support and retain students within the primary sector focus areas, particularly students in priority groups identified in the Tertiary Education Strategy 2014-19.

Performance commitments

The performance commitments set out in Part A apply across **the Applicant's SAC levels 3 and 4 provision within the fields of agriculture, horticulture and viticulture**. Applicants must specify performance commitments against each of the following performance indicators:

› course completion;

› qualification completion;

› student progression;

› student retention;

› Māori achievement and participation; and

› Pasifika achievement and participation.

4.4   Part B – information requirements

Applicants are required to submit information about their proposed qualifications using Part B of the application form (an Excel file).

This section summarises the information you are required to provide in Part B. See Appendix Two for more detailed information.

Note: The TEC invests in qualifications through the competitive pilot and not programmes. Applicants need to apply for each proposed qualification individually.

Proposed EFTS (volume of delivery)

The equivalent full-time student (EFTS) measure is the standard unit of investment. For each qualification Applicants must provide the number of EFTS proposed for delivery per year. Applicants should also provide the proposed total EFTS volume sought by the

Applicant across all qualifications.

This information will enable the TEC to understand the intended volume of EFTS each Applicant is prepared to deliver.

Proposed prices

An Applicant can only offer one price per EFTS for each proposed qualification – regardless of region, delivery site, EFTS volume, mode of delivery, or subject area.

Where a qualification contains different strands (e.g. Certificate in Agriculture (level 4) with strands in Arable Farming, Beef Cattle Farming, Dairy Farming, Deer Farming, and Sheep Farming), the application must only have one price per qualification.

Note: Applicants are encouraged to put in their best price. The TEC will not offer Applicants an opportunity to propose a new price for provision meeting the quality threshold.

Prisoner education

Prisoner Education is provision delivered to groups of prisoners at a Corrections prison or correctional facility. Prisoner Education may be delivered in the pilot focus areas of agriculture, horticulture and viticulture.

For more information about Corrections' Prisoner Education requirements see Appendix Three.

Appendix Four provides more detailed information about the provision sought by Corrections as well as information on the facilities usually available in prisons for educational provision.

4.5   Submitting an application

The TEC will only accept:

›   Part A of the application form as a .PDF file (that is a Word document which has been scanned and saved as a .PDF file); and
›   Part B as an Excel file.

Applications will be accepted from Thursday 11 August 2016. Applicants are encouraged not to submit an application before this date to ensure they have adequate time to consider any further releases of information or responses to clarification questions.

Applications may be amended by resubmitting it in whole or in part, or withdrawn, at any time prior to the closing date specified below.

Applications must be submitted by email to SAC3-4Competitivepilot@tec.govt.nz **by 5:00pm on 24 August 2016.** An application received after 5.00pm on the due date will be considered a late application. As a general rule, late applications will be rejected. However, at the absolute discretion of the TEC, a late application may be progressed to evaluation where the TEC considers that there is no material prejudice to other Applicants.

When submitting an application, Applicants must include 'SAC levels 3 and 4 Competitive Application' in the subject line.

Name Part A as: 'EDUMIS – organisation name – SAC 3-4 pilot Part A (.PDF)'

Name Part B as: 'EDUMIS – organisation name – SAC 3-4 pilot Part B (.XLS or .XLSX)'

Applications **must not** be submitted by physical delivery or facsimile or be sent (wholly or in part) directly to any TEC staff member.

The TEC will acknowledge receipt of applications and any withdrawal of an application via email.

5. Questions

Applicants may ask clarification questions or request further information about the application process by emailing SAC3-4Competitivepilot@tec.govt.nz.

The TEC will publish the questions and responses on the TEC website. The TEC will not provide responses to individual Applicants. The TEC will endeavour to publish all answers in a timely manner. Where an Applicant's clarification question includes commercially sensitive information the Applicant will be given the opportunity to withdraw the clarification question or reframe the question so it does not contain commercially sensitive information.

The last date for submitting **questions** is 10 August 2016.

Applicants are strongly encouraged to complete both parts of their application form **before the last date for submitting questions**. This is so that technical questions about the application forms can be answered before questions close (for example checking proposed qualifications are available to be selected from the dropdown list in Part B).

Any change to this Request for Funding Applications or additional information provided by the TEC will be notified to Applicants via the TEC's website.

Applicants are encouraged to check the TEC website regularly for the release of new information.

Note: Questions about TEC-held performance data released in Workspace 2 should be directed to the Sector Helpdesk.

6. Assessment of applications

6.1 Assessment criteria

Applications will be assessed against the Assessment Framework for the SAC levels 3 and 4 competitive pilot for 2017 and 2018 funding. On 11 July the TEC will release the high-level Assessment Framework including the quality dimensions and their relative importance.

The TEC will assess applications against the Plan decision-making criteria prescribed under section 159Y of the Education Act 1989 (the Act), as they apply to SAC levels 3 and 4 competitive funding, using the quality dimensions described in section 4.3.

The TEC gave public notice of the Plan content and decision-making criteria for 2017 in the New Zealand Gazette. This information is also available under Plan Guidance on the TEC website.

The TEC will publish a summary table (mid-July) in the SAC levels 3 and 4 competitive section on our website showing the relationship between:

› the Plan decision-making criteria;
› the SAC levels 3 and 4 quality dimensions;
› examples of the evidence the TEC will consider against each of the Plan decision making criteria; and
› at what stage the Plan criteria and quality dimensions will be considered in the assessment process.

6.2 Assessment process

Eligibility check

We will check that applications meet the eligibility criteria. Applications from ineligible Applicants or for ineligible qualifications will not be considered further.

Eligibility for SAC levels 3 and 4 competitive pilot funding in 2017 and 2018 will be limited to Applicants that meet all of the following criteria:

› the Applicant must be a university, an ITP, a wānanga, or a registered PTE; and
› the Applicant must have received TEC funding (directly not via subcontracting arrangements) in 2015 for SAC provision (at any level) or Youth Guarantee; and
› the Applicant (except a university) must have received a NZQA EER Category One or Two rating in its most recent EER assessment (a TEO that has not yet had an EER is eligible) as at August 2016.

All qualifications proposed in the Applicant's application for funding via the SAC levels 3 and 4 competitive pilot must:

› be a level 3 or 4 qualification listed on the NZQF;
› be in the field of agriculture, horticulture or viticulture as identified by the New Zealand Standard of Classification of Education (NZSCED) narrow field;
› be a full qualification (40 credits or more) on the NZQF;
› not consist of a programme of learning where the majority of the programme contains health and safety or regulatory compliance learning.

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Eligible applications will be assessed using a two-stage process as outlined below.

Stage One: Quality assessment

Eligible applications will be assessed against the following quality dimensions:

› capability in providing skills for industry;
› capability in delivering high-quality provision; and
› experience targeting and supporting students.

A description of each quality dimension is provided in section 4.3.

In addition to the information provided by Applicants in their applications, the TEC will consider a range of TEC-held TEO-level and qualification-level performance information.

TEC-held performance information considered will include relevant EPIs, as well as achievement and participation rates for priority groups (such as Māori, Pasifika and students under 25 years old).

In the first instance, preference will be given to SAC levels 3 or 4 performance information where this is available for 2014 and 2015.

If an Applicant did not receive SAC at levels 3 or 4, the TEC will consider performance information for SAC at levels 5 and above, SAC levels 1 and 2, and Youth Guarantee.

The TEC will also consider whether the delivery is appropriate to be SAC-funded and does not unnecessarily duplicate industry training provision.

Applications that do not demonstrate a minimum level of quality, based on information provided in the application forms and TEC-held performance information, will not proceed to the value for money assessment stage.

Note: TEC-held performance information at the qualification level is obtained by matching qualification codes. See Appendix Two for important information about how TEC will match qualifications.

Stage Two: Value for money assessment

The TEC will identify and purchase SAC delivery at levels 3 and 4 that represents the best value for money possible. "Value for money" is determined by both price and quality. The lowest priced delivery for any particular type of learning might not be the best value for money, if the higher priced delivery results in better outcomes for students. Likewise the highest quality delivery might not be the best value for money, if it is significantly more expensive but not significantly better in quality than other delivery.

The TEC will also ensure that it purchases a range of qualifications within the focus areas for the SAC levels 3 and 4 competitive pilot so that students can access the study of interest to them.

The Assessment Framework will prioritise applications (at the qualification level) based on the results of the quality and value for money assessment.

Note: Applicants will not be offered an opportunity to propose a new price for 'quality provision' via a rebidding process. Applicants are encouraged to propose their best price for each qualification.

Review Panel makes funding recommendations

The Review Panel will consider the results of the assessment process when it makes final

funding recommendations. The Review Panel will also consider:

› regional and national learner needs (for example, population demographics);
› the network of regional and national tertiary education provision to ensure an adequate amount of provision (including prisoner education) and a range of learner pathways into higher education and employment are available;
› how the proposed provision meets national and/or regional labour market demand;
› TEC and NZQA information about the Applicant's financial viability, audit findings, accreditation, compliance with funding conditions, and organisational capability and capacity. Note that preference will be given to Applicants with a NZQA EER Category One rating;
› alignment with the Applicant's mission and role, and place within the regional and national tertiary system; and
› for Prisoner Education only, Corrections advice about education and training provision delivered in prisons, additional requirements, prison facilities and resourcing, and performance information.

Review Panel indicative allocation recommendations will be considered by the TEC Board (or delegated authority).

7.   Notification of outcome

Applicants will be notified about the outcome of the SAC levels 3 and 4 competitive pilot, including indicative allocations, by letter in early October 2016.

TEOs with extramural or prisoner education provision may be required to provide additional information before the outcome of the competitive pilot is finalised (see paragraphs 7.1 and 7.2 below).

Funding allocations and conditions of funding will be set out in a Plan or Funding Letter which will be sent to TEOs later in 2016, subject to the Plan approval process set out below.

Plan approval process

Under section 159T of the Act, TEOs seeking funding from TEC under a funding mechanism that provides for funding via Plans are required to submit a proposed Plan (unless exempt from Plans).

For successful Applicants, the performance commitments in Part A of the Applicant's application, and the indicative MoP in the process outcome letter, will form part of the Applicant's Plan or Funding Letter (if funding is approved).

The MoP approved through the Plan or Funding Letter must not be changed without TEC's written consent.

For more information about Plan requirements and Plan exemptions for 2017 and 2018 funding, see the TEC website.

7.1   Finalising Prison Education delivery details

Applicants proposing Prisoner Education may be asked to meet with Corrections staff to agree delivery details before the outcome is finalised. This is intended to provide Applicants with a greater understanding of the sites' security arrangements, any logistics about delivery within the prison, and learner numbers. Applicants can also ask Corrections staff any questions they might have.

7.2   Finalising extramural provision delivery details

Applicants proposing extramural provision may be asked to provide additional information to confirm provision meets the requirements in Appendix One before the outcome is finalised.

8. Probity Assurance and Auditor

The TEC has appointed an independent Probity Auditor to provide assurance for the procurement process as follows:

The Probity Auditor is Martin Richardson, Director Audit Services, Audit New Zealand, phone 0508 283 4869. Alternatively, email Martin.Richardson@auditnz.govt.nz.

The Probity Auditor is neither a member of the TEC Board nor an employee of the TEC. The Probity Auditor is not a member of the Review Panel. An Applicant concerned about any procedural issue has the right to contact the Probity Auditor and request a review of the issue. The issue will be dealt with by the Probity Auditor as deemed appropriate.

The TEC is committed to ensuring that all Applicants are treated fairly and equally during the evaluation process. There are internal checks in place to ensure a fair, robust, and balanced assessment is made in terms of the final recommendation of the preferred Applicants.

9. Conditions of the application process

9.1 Canvassing

Applicants may not canvass any of the TEC's Board members, employees, contractors, consultants, or anyone who has a direct working relationship with TEC or Corrections staff.

Any Applicant found to be canvassing or to have canvassed any of the TEC's Board members, employees, contractors, consultants, or anyone who has a direct working relationship with the TEC or Corrections staff regarding this application process, may have its application disqualified from consideration.

9.2 Collusion

Applicants may not prepare their application in consultation, communication, contract, arrangement, or understanding with any competitor Applicant regarding the calculation of prices, the intention or decision to submit (or not submit) an application, the quality, volume, specifications, or delivery particulars of the proposed provision, other than:

› where certain joint venture arrangements exist between the applicant and a competitor;
› where the communication with that competitor is limited to the information required to facilitate those particular joint arrangements; and
› where these have benefits for learners and the tertiary education network.

In such a situation, Applicants must fully disclose to the TEC the full nature and extent of any agreements with competitors. Any Applicant found to be colluding with a competitor Applicant as described above, may have its application disqualified from consideration.

9.3 Rights reserved

The TEC reserves the right to:

› amend, suspend, or cancel (in part or in whole) the SAC levels 3 and 4 competitive pilot and application process;
› allocate all or part of the pool of SAC level 3 and 4 funding available for the competitive pilot as the TEC considers fit;
› consider or not consider any application that does not comply with the requirements of the process;
› reject all or any applications and not accept the lowest price application;
› not consider an application if any information provided in the application is erroneous or in any way incorrect;
› negotiate with individual applicants on their proposed provision, EFTS volumes, and prices;
› contact Applicants for clarification or further information in respect of their application, and to seek and consider information from the TEC's own records and other agencies, for example, NZQA;

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› validate any information provided in the application form with its own information; and

› contact or not contact Applicants in respect of missing or inadequate information in their application forms.

In exercising any of its reserved rights the TEC will ensure that all Applicants' responses are treated fairly.

9.4   No binding legal relations

By submitting an application, the Applicant acknowledges that neither the application, nor the application process, creates a process contract or any legal relationship between the TEC and the Applicant except in respect of:

› the conditions of the application process set out in this section 9; and

› the Applicant's statements, representations, and/or warranties in its application.

9.5   Reliance on information

It is the Applicant's responsibility to ensure that its application is free from errors. By submitting an application, the Applicant warrants to the TEC that the information contained in its application is true, accurate, and complete as at the date on which it is submitted, and may be relied upon by the TEC in its selection of successful Applicants. The Applicant acknowledges that the TEC will rely on the above warranty and undertaking when evaluating its application.

9.6   Confidentiality

For the duration of the application process, to the date of the announcement of all successful applicants, or the end of the application process, the Applicant agrees to keep any information (other than this document, application forms, and information publically available on the TEC website) provided to the Applicant by the TEC or its representatives that relates to this application process strictly confidential and not make any public statement to any third party in relation to any aspect of this document, the application form, the application process, or the award of any funding, without the TEC's prior written consent.

Notwithstanding the above, the Applicant may disclose information relating to this application process to any person who is directly involved in the process on its behalf, but only for the purpose of participating in the process.

9.7   Publication of Applicant information

In submitting an application, the Applicant agrees to the publication of the Applicant's name, and the total amount of funding and the total number of EFTS allocated through this competitive pilot .

The TEC is subject to the Official Information Act 1982 and may be required to release information supplied by Applicants in accordance with that Act, or as otherwise required by law. If an Applicant considers that there are grounds under the Act for withholding any information in the application, then these grounds need to be specified in the application.

9.8 Proprietary information

All intellectual property rights in this document and the application form remain the property of the TEC or its licensors.

All documents forming the Applicant's application will, when delivered to the TEC, become the property of the TEC.

Ownership of intellectual property rights in the Application remain the property of the Applicant or its licensors. However, the Applicant grants to the TEC a non-exclusive, non-transferable perpetual licence to retain, use, copy, and disclose information contained in the Application for any purpose related to the application process.

9.9 Applicants debrief

The TEC will offer all unsuccessful Applicants the opportunity to debrief following the allocation of the SAC levels 3 and 4 via the competitive pilot . Debriefs may be provided by email, phone, or at a meeting.

10. Glossary of Terms

In relation to this Request for Funding Applications the following words and expressions have the meanings described below.

Term	Meaning
the Act	Refers to the Education Act 1989
Applicant	An eligible Tertiary Education Organisation that applies for SAC levels 3 and 4 funding
Assessment Framework	The framework which sets out a high level description of the components of each quality dimension and their weightings against which each application will be assessed
Assessment Tool	An online tool primarily designed to provide robust and reliable information on the reading, writing, numeracy and vocabulary skills. Also known as the Literacy and Numeracy for Adults Assessment Tool.
Corrections	The Department of Corrections
EDUMIS	A provider code, which is usually 4 digit number, used by the Ministry of Education to identify an education provider
EFTS	Equivalent Full-Time Student
EPIs	Educational Performance Indicators
NZQF	New Zealand Qualifications Framework
NZQA EER	New Zealand Qualifications Authority external evaluation and review rating
Performance Linked Funding Framework	A framework that calculates a performance-linked funding adjustment (up to 5%) that encourages all SAC-funded TEOs to reach an acceptable standard of educational performance
Plan	A plan in relation to which funding approval has been given, as defined in section 159 of the Education Act (unless exempt)
Plan decision-making criteria	The decision-making criteria set out in the TEC's Gazette Notice which the TEC may consider during the competitive SAC levels 3 and 4 assessment process
Probity Auditor	The person or organisation, as identified in section 8, who is appointed to audit, and provide independent assurance of the application process

Review Panel	The panel of people assembled by the TEC who will evaluate applications in accordance with the evaluation criteria
SAC	Student Achievement Component funding
STEO	Services for Tertiary Education Organisations
Subcontracting arrangements	Subcontracting arrangements are those where a TEO engages others to deliver teaching and learning on its behalf. It does not include individual employment agreements or arrangements where a TEO uses the facilities of another TEO or organisation to deliver its own provision.
TEC	Tertiary Education Commission
TEI	An institution as defined in section 159 of the Education Act 1989 which includes universities, institutes of technology and polytechnics (ITPs) and wānanga
TEO	Tertiary Education Organisations defined in section 159B of the Education Act 1989

Appendix One: Extramural provision requirements

The TEC wants to ensure that all New Zealanders, regardless of where they live, are able to access education. With improvements in technology, there are more options available for distance learning to be delivered by tutors in real-time.

The TEC may invest in a limited amount of extramural provision through the SAC levels 3 and 4 competitive pilot for 2017 and 2018 provision.

Extramural provision must have written TEC approval before delivery commences.

To be considered for TEC approval, extramural provision must meet ALL the following requirements:

› involve synchronous learning with directed, real-time contact with a tutor (e.g. web-conferencing, online discussion forums, face-to face delivery);

› support students that have a preference for extramural provision due to barriers to participation such as access issues, work or family commitments etc;

› active support and retention strategies appropriate for the target student group, including priority learner groups;

› teaching approaches that involve active engagement of students; and

› be able to demonstrate past performance achieving results for students participating in extramural provision, in particular students at levels 3 and 4, or able to provide a high standard of evidence of capability to achieve results for students at levels 3 and 4.

Additional information may be required

The TEC may require TEOs to provide additional information and/or evidence that proposed extramural provision meets the above requirements before funding decisions are finalised.

Appendix Two: Completing Part B of the Application (Excel file)

This section provides detail on how to complete Part B of an application for funding through the SAC levels 3 and 4 competitive pilot.

We recommend that you complete this section as early as possible as this will allow time for you to raise any questions you may have and resolve any technical issues that may arise.

Note: Do not add any additional rows or otherwise change the format of the template as this will damage the functionality of the template.

EDUMIS number

Select your TEO's EDUMIS number and your TEO name should automatically populate. If your EDUMIS number is not in the list, please email SAC3-4Competitivepilot@tec.govt.nz.

Selecting proposed qualifications from the qualifications list

The spreadsheet includes an embedded dropdown list of NZQF level 3 and 4 qualifications within the focus areas for the pilot.

The qualifications list excludes qualifications:

› that are not eligible for the competitive pilot , for example, health and safety;
› of less than 40 credits;
› that will expire before 1 January 2017; and
› that have been withdrawn/discontinued.

You must select each proposed qualification from the dropdown list.

If you want to deliver a local qualification, this must have an embedded national qualification of 40 credits or more.

If a qualification is not on the dropdown list, but you believe it is eligible for this competitive pilot , please email SAC3-4Competitivepilot@tec.govt.nz.

All national and New Zealand qualifications can be found on the NZQA website – they have a 4-digit qualification code, but in this spreadsheet you will find them in the list preceded by 'NC' or 'NZ'.

New qualifications requiring NZQA approval

If you are proposing to deliver a new qualification in 2017, for which you will have to seek programme approval from NZQA, indicate this in the 'New Qualification in 2017' column.

TEOs must have accreditation from the NZQA (or CUAP) to deliver approved programmes at levels 3 and 4 on the NZQF by 30 November 2016.

Past performance delivering the same (or in a replaced) qualification

The TEC will consider TEO past performance in the proposed qualification during 2014 and 2015. Past performance is at the qualification level is identified by **matching qualification codes.**

The TEC will automatically consider past performance in the same qualification code as the proposed qualification.

For New Zealand qualifications, the TEC will consider past performance in the local[9] or national qualification that the New Zealand qualification replaced on the NZQF.

› Replaced national qualifications will be verified using information available from the NZQA website.

› Replaced local qualifications are not recorded on the NZQA website. The TEC will therefore determine if a local qualification has been replaced by a New Zealand qualification using information including NZQF level, TRoQ review cluster, and qualification content.

For any other qualifications, the TEC will consider past performance **in the same qualification reported to the TEC under a different qualification code**, if you identify this is the 'Qualification with relevant delivery history' field. For example:

› If you have delivered a local qualification with an embedded national qualification, select the national qualification as the proposed qualification, and identify the local qualification in the 'Qualification with relevant delivery history' field.

If you can't find a qualification that you have delivered in the past and you think it should be on the dropdown list, please email SAC3-4Competitivepilot@tec.govt.nz.

Qualification delivery information as recorded in STEO

The information on qualification delivery (teaching, work experience and self-directed learning hours) that is recorded in the Services for Tertiary Education Organisations (STEO) will be populated automatically.

If you are proposing to deliver a new qualification that is not yet recorded in STEO, please enter the total hours for each component as noted in your NZQA programme approval documentation.

Delivery sites

Once you have entered your organisation's EDUMIS number, your organisation's delivery sites, as held in TEC STEO, will be available from the delivery site dropdown box.

Delivery sites **must be geographically specific**, for example, not 'other site' or 'New Zealand' (except for extramural delivery (distance learning only) which must have delivery site 'extramural' selected).

If you need to update delivery site information, please update this on the TEC STEO website and then email SAC3-4Competitivepilot@tec.govt.nz to have Part B (Excel file) updated and reissued.

Prisoner Education delivery sites

If you propose to deliver Prisoner Education, you must select the name of the prison or correctional facility where the provision will be delivered from your list of delivery sites or select 'new site' and specify the name of the prison.

Extramural provision

Extramural provision is only eligible for funding through the competitive pilot with prior

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[9] Local Qualifications embedded with a National Qualification comprised of at least 40 credits

TEC approval (refer Appendix One for extramural provision requirements). Use this field to indicate if you are proposing extramural delivery.

Extramural is where provision is delivered through distance learning.

New delivery site

If you propose to deliver at a new delivery site, please select 'New site' from the dropdown list, then select the TLA and region of delivery, and provide details of the new delivery site under 'New Delivery Site Location'. At a minimum you must specify the town (or suburb within a city) where the new delivery site will be located.

Proposed EFTS per year

The 'Proposed EFTS per year' figure is the number proposed per qualification for each of 2017 and 2018.

Total proposed EFTS (across all qualifications)

The 'proposed total EFTS volume' (above the qualifications table) is the total number of EFTS sought by your organisation across all qualifications.

This total may not be the same as the sum of all proposed EFTS (total for all qualifications).

Price per EFTS

A TEO may only propose one price per EFTS for each proposed qualification – regardless of delivery region, delivery site, EFTS volume, delivery mode, or subject area.

This price is reflective of the government contribution to teaching and learning.

Fee information will be collected separately in the "Fees charged per Qual" column.

Where a qualification contains different strands (e.g. Certificate in Agriculture (level 4) with strands in Arable Farming, Beef Cattle Farming, Dairy Farming, Deer Farming, and Sheep Farming), the application must only have one price per qualification.

Fees charged per qualification

TEOs funded through the SAC levels 3 and 4 competitive funding pilot will be able to charge course fees.

In the "Fees charged per Qual" column enter your best estimate of the average student fees to complete the proposed qualification.

Note: Fees will continue to be charged at a course level, and the AMFM policy requirements will apply[10].

The template will calculate the cost of fees per EFTS and the total cost per EFTS of the proposed provision using the "EFTS value of the qualification", the "proposed price per EFTS" (government contribution) and the "fees charged per qualification" fields.

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[10] The proposed conditions for the 2017 Annual Maximum Fee Movement were published 16 June 2016
https://gazette.govt.nz/notice/id/2016-go3429

Errors

The Errors column notes where data has been inserted that does not comply with the required format. Where an error message occurs, Applicants must review and correct the records with noted errors.

Appendix Three: Prisoner Education Requirements

TEOs seeking to deliver Prisoner Education to groups of prisoners in prisons or correctional facilities, must meet additional Department of Corrections (Corrections) security requirements:

› All TEO personnel intended to have access to prison sites will be subject to a criminal conviction check, and, if requested, credit, drug and alcohol testing checks, which must be satisfactory in all respects to Corrections.

› At Corrections' request, all personnel must be made available to be photographed for security card production purposes (if required). TEOs will supply Corrections with a list of personnel who are intended to have access to Corrections' sites (if any), together with their full names, addresses, and dates of birth.

› Corrections will provide TEOs with the Code of Conduct and any other relevant Department policies that TEO personnel are required to comply with on-site.

› All TEO personnel are also required to adhere to Corrections' Drug and Alcohol policy.

› All TEO personnel will be subject to the Corrections Act 2004 and the Corrections Regulations 2005 and must comply with any lawful instruction issued by a Corrections officer at the site concerning security, any prisoner, or any other matter. TEO personnel must carry photographic identification at all times while on a site, and must take reasonable precautions to ensure that their vehicles are kept secure at all times while on a site.

› All TEO personnel will be required to attend a formal Corrections Code of Conduct training and site induction prior to commencing delivery.

› All education materials must be vetted by designated Corrections personnel prior to being brought into a prison facility.

› TEO personnel may be denied access to any Corrections facility or prison for any reason, including failing to meet the above requirements, at the discretion of the Prison or Security Manager.

Further information for TEOs delivering Prisoner Education

TEOs should also be aware of the following challenges when delivering Prisoner Education at prisons or correctional facilities.

These may include restrictions on class size, availability of Corrections staff to supervise classrooms and prisoners, prison schedules, muster changes, or prisoner transfers between facilities.

Prisoner Education must be delivered in a Corrections prison facility. The delivery site name used in 'STEO' must include the name of the prison or correctional facility.

Corrections are not seeking applications for Prisoner Education for delivery at the Serco prison in Mt Eden (Auckland) as this is a non-government run facility. TEOs can apply for delivery at the Serco Mt Eden prison site for any other provision type.

More information about Corrections' prison sites, training facilities, and the range of provision delivered in prisons will be available shortly on the TEC website.

Appendix Four: Prisoner Education Provision Information

Corrections is committed to providing prisoners with opportunities to successfully gain qualifications that provide both a pathway into employment and/or progression into higher-level qualifications. This is because international evidence has demonstrated that quality education can have a positive effect on reducing re-offending.

This appendix provides information about:

›   the facilities usually available in prisons for educational provision; and

›   provision sought at prison sites.

Educational facilities in prisons

All prisons have programme rooms available that offer classroom facilities. Some prisons have additional teaching spaces, such as trades-based workshops, with facilities that enable a range of industry-related qualifications to be delivered.

In addition, from 2017 all prisons will have Secure Online Learning (SOL) suites. These suites will allow prisoners to access Microsoft Office to support their engagement and achievement in education.

For more information about each prison site, please click on the prison names in the table below.

Provision sought at prison sites

Corrections is interested in proposals that respond to prison-specific needs, particularly those qualifications that are aligned with existing prisoner employment activities within the primary sector. Further information on this can be found on the Corrections website.

Qualifications need to demonstrate a strong link with national and/or regional labour market demand, and provide a clear pathway for further qualification progression. This will enable prisoners to engage in on-going skill development and increase the likelihood of sustainable employment outcomes.