

**Tertiary Education
Commission**

Te Amorangi Mātauranga Matua



Exception to fee limits for new course fees

**Application guidelines and
assessment information**

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Te Amorangi Mātauranga Matua

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Authors

The Tertiary Education Commission (TEC)

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 these guidelines is available from the TEC website: <http://www.tec.govt.nz>.



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Introduction

There are limits on the fees that can be charged for new courses.

Fees for new courses must be no more than the 75th percentile of the range of fees for similar courses charged:

- by your organisation
- by your sub-sector, or
- across the sector.

We base fee limits on the highest of the three 75th-percentile calculations to identify similar courses, we consider the course's:

- funding category
- classification under the New Zealand Standard Classification of Education (NZSCED), and
- equivalent full-time students (EFTS) factor.

In exceptional circumstances, tertiary education organisations (TEOs) can apply for exceptions to fee limits for new courses. Fee regulation settings are published in the funding mechanisms.

[Funding mechanisms and delegations](#)

What new courses do fee limits apply to?

Fee limits apply to new courses provided by all TEOs that receive funding under:

- Delivery at Levels 3 to 7 on the New Zealand Qualifications and Credentials Framework (NZQCF) (DQ3-7), and
- Delivery at Levels 7 (degree) to 10 on the NZQCF (DQ7-10).

Fee limits do not apply to work-based courses.

Fee limits for new courses do not apply to new courses that a TEO creates **in substitution for** an existing course at the same or similar level that receives funding for provision delivered at Levels 3–7 and 7 and above. Instead, the Annual Maximum Fee Movement (AMFM) applies. For more information about the AMFM, see [Annual Maximum Fee Movement](#).

Applying for an exception

To seek an exception to the fee limits for new courses, you must submit the fee limit exception application template and financial data template.

[Exception to fee limits for new course fees – Application template](#)

[Exception to fee limits for new course fees – Financial template](#)

You may add further lines into the application and/or financial data template if you need to provide more information. Financial information must be GST exclusive, as per accepted accounting practice.

For tertiary education institutions (TEIs), the application must be authorised and signed by a delegated authority of the TEI Council. For private training establishments (PTEs), the application must be authorised and signed by the PTE Chief Executive or Board Chair.

These guidelines describe the requirements you must follow and the information you must provide us with to assess your application. They are not an exhaustive list. You are responsible for providing enough suitable evidence for us to make an appropriate decision. We may not be able to assess applications that are not prepared in accordance with these guidelines.

We will base our assessment on Section 2 of these guidelines. Your application needs to have clear, specific and quantifiable details addressing the key decision points relevant to your application.

You must complete a separate application for each qualification, with the course(s) you are applying for.

Demonstrating your case for an exception

To qualify for an exception, you need to show us that you have exceptional circumstances. Your application must meet **all** of these criteria:

- **Criterion one:** The course would not be financially viable without a higher fee.
- **Criterion two:** Where the course is part of a qualification at Levels 3–7 and 7 to 10 on the NZQCF that has been delivered previously, the programme has a cohort-based completion rate that meets or exceeds the median performance benchmark for that NZQCF level in the previous year.
- **Criterion three:** You can demonstrate that the course is in some way unique or special, for example, there are no or very few similar courses to compare fees with.
- **Criterion four:** The course is aligned to Government priorities as set out in the Tertiary Education Strategy (TES).

We may consider information that is not in your application, and we may seek to verify anything in your application.

Submitting an application and notification of outcome

Email your application to our Customer Contact Group at customerservice@tec.govt.nz, with the subject line **[EDUMIS] – Exception to fee limits for new course fees application**. The deadlines to submit an application are:

- 5.00pm on the last Friday of November
- 5.00pm on the first Friday of February
- 5.00pm on the first Friday of June
- 5.00pm on the first Friday of August.

We will acknowledge applications by email within five business days. We will let you know the outcome of your application by email.

Checklist

Please ensure your completed application template and financial data template include:

- your organisation's contact details
- the details about the course(s) that the application relates to
- evidence of all four exception criteria as outlined in this document
- all necessary supporting information, and the declaration at the end of the application template, signed by the correct person.

Review of decisions

You, or the relevant student body, may seek a review of our decision if you believe:

- there has been a **substantial misapplication** of the criteria to the information **as supplied** in your application (but you may not introduce any new information), or
- the process requirements of established Administrative Law as currently applied in New Zealand have not been appropriately followed.

Exception criteria

Criterion one: Financial viability of the programme

The course would be financially unviable without a higher fee.

In all cases, costings need to include programme-level information. Please provide:

- one year of actual data for the previous year of delivery (if the course(s) is part of a qualification previously delivered)
- a current-year forecast, and
- forecasts for the next year, at the relevant level(s), in the financial data template.

For each year in the financial data template, please provide:

- the number of EFTS, the income, and the fees charged for the course(s)
- other education- and training-related income directly attributable to the course(s)
- the costs attributable to the course(s), along with any explanations for the apportionment/costing for:
 - academic and technical remuneration: the direct cost of all staff (full time, part time and contracted) who undertake academic roles in the course(s), and all staff who provide technical or similar support to students enrolled and academic staff teaching the course(s)
 - remuneration paid to owners/directors: directors' fees and salaries, and any payments for academic services (with any academic remuneration paid to owners deducted from the total for "academic remuneration")
 - operating expenses: the direct operating expenses (eg, consumables, travel, equipment, maintenance, library and other course and research expenses) that are incurred to support students enrolled or staff teaching the course(s)
 - depreciated, amortised and lease expenses that relate to equipment, facilities and space used by (or allocated to) the course(s)
 - occupancy expenses: the non-depreciation/lease expenses that relate to building space used (or allocated to) the course(s)
 - indirect costs attributable to the course(s) (eg, central administration charges as costs relating to your organisation as a whole) and the rationale for apportioning these costs
 - unusual or non-recurring costs (not accounted for above).

Your application must also address the financial impact of not running the course(s).

Criterion two: Completion rate meets or exceeds the sector rate

Where the course is part of a qualification at Levels 3–7 and 7 to 10 on the New Zealand Qualifications and Credentials Framework (NZQCF) that has been delivered previously, the qualification has a completion rate that meets or exceeds the median performance benchmark for that NZQCF level in the previous year.

To be eligible for an exception, each course in your application must have its intended qualification meet or exceed the qualification completion rate for the sector.

Your qualification completion rate will be compared to the 2023 cohort-based qualification completion rate (all sectors) for the relevant NZQCF group, provided in the table below. The sector

qualification completion rate adds up the number of completions across all TEOs and divides it by the number of learners in the cohort group or level across all TEOs.

If the course(s) are part of a qualification that has been previously delivered, you must provide your performance data in the financial data template. If the course(s) are part of a new qualification not yet delivered, leave the qualification completion rate column blank.

To get your qualification completion rate for the intended qualification that your course(s) belongs to, go to Ngā Kete and use the **My Performance – SDR App**:

1. In the app, select the “Intended qualification and completed qualification” sheet.
2. For the reporting year, select “2023”.
3. For the source of funding, select “Student Achievement Component”.
4. Then select the qualification from the “Learners enrolled by intended qualification title” chart.

NZQCF group	2023 cohort-based qualification completion all-of-sector rate
Level 3	59.1%
Levels 4–7 non-degree	58.4%
Level 7 degree and Level 8	60.9%
Levels 9 and 10	71.5%

Criterion three: The course is in some way unique or special

The TEO can demonstrate that the course is in some way unique or special, for example, that there are no or very few similar courses to compare fees with.

You may meet this criterion by uniqueness, or scarcity of alternative national or regional provision. We will also consider the reasons why local employers and stakeholders need the course(s). Describe the likely impact if the course(s) was not offered.

Criterion four: Aligned to government priorities

The course is aligned to Government’s priorities, as set out in the TES.

You must provide evidence that the course(s) is aligned to at least one of the following TES priorities:

- Ensure places of learning are safe, inclusive and free from racism, discrimination and bullying.
- Have high aspirations for every learner/ākonga, and support these by partnering with their whānau and communities to design and deliver education that responds to their needs, and sustains their identities, languages and cultures.
- Reduce barriers to education for all, including for Māori and Pacific learners/ākonga, disabled learners/ākonga and those with learning support needs.
- Ensure every learner/ākonga gains sound foundation skills, including language, literacy and numeracy.

- Meaningfully incorporate te reo Māori and tikanga Māori into the everyday life of the place of learning.
- Develop staff to strengthen teaching, leadership and learner support capability across the education workforce.
- Collaborate with industries and employers to ensure learners/ākonga have the skills, knowledge and pathways to succeed in work.
- Enhance the contribution of research and mātauranga Māori in addressing local and global challenges.

Note: You must also ensure that setting fees higher than the 75th percentile will not negatively impact on **any** of these priorities.

How we assess your application

We use the key decision points in the table below as the primary basis on which to assess applications. All applications need to have clear, specific and quantifiable details addressing the key decision points.

Criteria	Key decision points that we will consider
<p>Criterion one: The course is part of a programme of study that would be financially unviable without a higher fee.</p>	<ul style="list-style-type: none"> • Is the viability of the programme threatened? • Do cost estimates seem reasonable and are indirect elements consistent with organisation-level data? • Do total costs for course(s) exceed total contribution from the course(s) fees and TEC contribution? • Are the proposed fees significantly more than the fees charged for similar courses by other TEOs? • Is the explanation why costs cannot be met (without an increase in fee) reasonable and plausible? • Is the explanation regarding why fees differ significantly from other TEOs reasonable and plausible? • Are there any key short-term or one-off expenditure items in 2023 contributing to costs, which are not ongoing or not expected?
<p>Criterion two: Where the course is part of a qualification at Levels 3–7 and 7 to 10 on the NZQCF that has been delivered previously, the qualification has a completion rate that meets or exceeds the median performance benchmark for that NZQCF level in the previous year.</p>	<ul style="list-style-type: none"> • Is the course(s) part of a qualification that meets or exceeds the 2023 cohort-based qualification completion all-of-sector rate tabled in these guidelines? (This only applies where the course is part of a qualification previously delivered.)
<p>Criterion three: The TEO can demonstrate that the course is in some way unique or special, for example, that there are no or very few similar courses to compare fees with.</p>	<ul style="list-style-type: none"> • Does the course’s area of delivery feature strongly in your Investment Plan? • Is there evidence of a strong need for the type of education from business or industry? • Is this the sole national or regional provision? • Is there evidence that, for vocational-related courses: <ul style="list-style-type: none"> ○ the course(s) is directly related to local industry needs? ○ there is a shortage of these skills, with associated job vacancies. ○ the learners will be going on to employment in an industry related to the education received.

	<ul style="list-style-type: none"> ○ the information about the value of the course(s) to the community stakeholders is reasonable and evidence is provided to support the arguments? ○ the information about the value of the course(s) to local iwi or other Māori groups, or local Pacific students and their communities, is reasonable, and evidence is provided to support the arguments?
<p>Criterion four: The course is aligned to Government’s priorities, as set out in the TES.</p>	<ul style="list-style-type: none"> • Does the course(s) align with at least one of the key TES priorities? • What will you do to ensure increasing fees will not negatively impact on any TES priorities? • Is there potential to disadvantage students who are part of a group targeted for improved educational outcomes by the TES?