



Office of Hon Steven Joyce

Minister for Economic Development

Minister for Regulatory Reform

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Minister for Tertiary Education, Skills and Employment

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07 DEC 2015

John Spencer
Chair
Tertiary Education Commission
PO Box 27-048
Wellington 6141

Dear John

Supplementary Determination of Design of Funding Mechanism: Youth Guarantee

I am writing to advise you of a supplement to the Determination of Design of the Youth Guarantee funding mechanism, issued under section 159L of the Education Act 1989 (the Act).

The supplementary determination is set out in the appendix to this letter. It takes effect from 1 January 2016 until 31 December 2016.

The supplementary determination reflects two changes to student eligibility to ensure that the programme remains focused towards young people who have not achieved foundation-level qualifications (level 1 and 2 on the New Zealand Qualifications Framework). The supplementary determination:

- removes eligibility for learners who have already achieved a level 3 qualification on the New Zealand Qualifications Framework
- requires the Tertiary Education Commission to encourage providers to prioritise level 3 Youth Guarantee fees-free places to learners who:
 - i) have no or low level (level 1) prior qualification
 - ii) have achieved a lower level qualification while in Youth Guarantee fees-free and progress to level 3 within the programme.

As part of this, I expect the TEC to monitor the prior achievement of level 3 learners.

The supplementary determination also confirms a 10% cap for students re-enrolling in a qualification at the same level as a qualification they already hold (for level 1 and 2) in 2016. It also confirms the condition that providers must not charge tuition fees or compulsory course costs to learners.

Under section 159O of the Act, it is the Tertiary Education Commission's responsibility to develop the operational policy and details of how to implement the supplementary determination. I expect that the Tertiary Education Commission will set appropriate measures as part of its Statement of Service Performance, in order to report to me on its performance in giving effect to the determination.

Yours sincerely



Steven Joyce
Minister for Tertiary Education, Skills and Employment

SUPPLEMENTARY DETERMINATION OF DESIGN OF FUNDING MECHANISM: YOUTH GUARANTEE

The “Determination of Design of Funding Mechanism: Youth Guarantee” (the funding mechanism) was issued to the Tertiary Education Commission (the TEC) in August 2014. This supplementary determination amends the funding mechanism with effect from 1 January 2016 by:

- (i) adding additional requirements for student eligibility for Youth Guarantee provision in relation to students who hold existing qualifications at levels 1 to 3 on the New Zealand Qualifications Framework;
- (ii) amending the conditions on funding relating to Tertiary Education Organisation responsibilities for Youth Guarantee provision and the secondary-tertiary partnership pilot programme, by lowering the cap on enrolment of students holding qualifications at level 1 or 2 on the New Zealand Qualifications Framework from 20% to 10% of new enrolments;
- (iii) extending to 2016 the requirement for TEC to attach conditions on funding which prohibit TEO’s from charging students tuition fees or compulsory course costs.

The funding mechanism is amended by this supplementary determination as follows:

Youth Guarantee provision: Student eligibility

After paragraph 19 (Student eligibility) of the funding mechanism insert a new paragraph 19A as follows:

Youth Guarantee: additional requirements for student eligibility

19A *In addition to the eligibility requirements set out in paragraph 19, the TEC must:*

- a. *ensure that a Tertiary Education Organisation (TEO) that receives funding for Youth Guarantee provision does not enrol a student in a Youth Guarantee programme who has already achieved a qualification at level 3 or above on the New Zealand Qualifications Framework (NZQF);*
- b. *encourage a TEO that receives funding for Youth Guarantee provision at level 3 on the NZQF to give priority for level 3 provision to:-*
 - i. *students with no or low (level 1) prior achievement; and*
 - ii. *students who have completed a level 1 or level 2 qualification through a Youth Guarantee provision programme.¹*
- c. *monitor the prior achievement levels of students enrolled in each TEO’s Youth Guarantee provision at level 3.*

¹ For the avoidance of doubt, this paragraph does not preclude other eligible students from enrolling in Youth Guarantee level 3 provision, but is intended to give priority to students who have not already achieved a level 2 qualification, and students who complete a level 1 or 2 qualification in Youth Guarantee and progress within the scheme to level 3.

TEO responsibilities for caps on students with previous qualifications

Delete paragraph 38(b) of the funding mechanism and replace with the following:

- b. must ensure that, in relation to all new enrolments, students who already hold a qualification at level 1 or 2 on the NZQF do not comprise more than 10% of the TEO's enrolments at that level; and ...*

Fees

Delete paragraph 43(d) of the funding mechanism and replace with the following:

- d. These conditions on funding must be attached to funding allocated at any time during the term of this funding mechanism.*