

Tertiary Education Report: Announcement of the cessation of SAC competitive rounds

Date:	14 February 2018	TEC priority:	Medium
Security level:	In Confidence	Report no:	B/18/00055
		Minister's office No:	

ACTION SOUGHT		
	Action sought	Deadline
Hon Chris Hipkins Minister of Education	agree to an announcement in late February regarding the change in allocation approach from competitive tendering [for SAC levels 1-2, 3-4], announced by: <ul style="list-style-type: none"> a. you, led by your office and supported by the TEC, or b. the TEC, in co-ordination with your office (recommended). 	21 February 2018
Enclosure: No	Round Robin: No	

CONTACT FOR TELEPHONE DISCUSSION (IF REQUIRED)			
Name	Position	Telephone	1st contact
Mike Blanchard	DCE Operations	S9(2)(a)	
S9(2)(a)	S9(2)(a) S9(2)(a)	S9(2)(a)	✓

THE FOLLOWING DEPARTMENTS/AGENCIES HAVE SEEN THIS REPORT						
<input type="checkbox"/> DPMC	<input type="checkbox"/> MPI	<input type="checkbox"/> ENZ	<input type="checkbox"/> ERO	<input type="checkbox"/> MBIE	<input checked="" type="checkbox"/> MoE	<input type="checkbox"/> MFAT
<input type="checkbox"/> MPP	<input type="checkbox"/> MSD	<input type="checkbox"/> NZQA	<input type="checkbox"/> NZTE	<input checked="" type="checkbox"/> TEC	<input type="checkbox"/> TPK	<input type="checkbox"/> Treasury
Minister's Office to Complete:	<input type="checkbox"/> Approved	<input type="checkbox"/> Declined				
	<input type="checkbox"/> Noted	<input type="checkbox"/> Needs change				
	<input type="checkbox"/> Seen	<input type="checkbox"/> Overtaken by Events				
	<input type="checkbox"/> See Minister's Notes	<input type="checkbox"/> Withdrawn				
Comments:						

Recommendations

Hon Chris Hipkins, Minister of Education

It is recommended that you:

1. **note** that you agreed to not undertake further competitive allocation rounds from 2019 for Student Achievement (SAC) provision at levels 1 and 2 and at levels 3 and 4;
2. **agree** to an announcement in late February regarding the change in allocation approach from competitive tendering, announced by:

a. you, led by your office and supported by the TEC, or

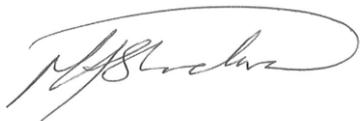
AGREED / NOT AGREED

b. the TEC, in co-ordination with your office (recommended).

AGREED / NOT AGREED

3. **agree** to withhold release of this briefing until after the announcement has been made.

AGREED / NOT AGREED



Mike Blanchard

Deputy Chief Executive, Operations
Tertiary Education Commission

14 February 2018

Hon Chris Hipkins

Minister of Education

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Purpose

1. We seek your agreement to an announcement in late February 2018 regarding the cessation of any further Student Achievement Component (SAC) funding competitive tendering rounds.

Background

2. The previous government introduced competitive tendering rounds for SAC provision at levels 1 and 2 in 2012. This process was used in 2012, 2014, and 2016 to allocate funding for this provision.
3. A pilot competitive allocation process for SAC levels 3 and 4 provision was subsequently undertaken in 2016.
4. You agreed in January 2018¹ that no further competitive tendering rounds be undertaken for SAC funding at levels 1 and 2, or at levels 3 and 4. Instead, funding for this provision will be allocated through the 2018 Investment Plan process.

We wish to announce the change in allocation approach in February

5. We seek your agreement to an announcement in late February 2018 to advise tertiary education organisations (TEOs) of the change in allocation approach from competitive tendering. This will give TEOs certainty around the allocation approach and allow them to incorporate this provision into the development of their Investment Plans for 2019-2020 funding.
6. Two options for making the announcement are:
 - a. you make the announcement, led by your office and supported by the TEC, or
 - b. the TEC makes the announcement on your behalf (recommended).
7. The announcement will note the change in allocation approach, and that we are working with the Ministry of Education (the Ministry) on the transition arrangements, including operational policy and proposed funding settings for this provision. These settings will be confirmed through the relevant funding mechanism(s) following Budget 2018.

Next steps

8. Subject to your agreement, we will prepare communications to the sector regarding the change in allocation approach and will co-ordinate with your office on the release.
9. We will work with the Ministry on further advice to you on the fund settings, cost pressures and funding rates for this provision in preparation for Budget 2018, and the funding mechanism(s).

¹ Education Report: Budget 2018 – tertiary tuition subsidies cost adjustment, 15 December 2017, METIS 1097295 refers