

Universities New Zealand - Te Pōkai Tara

Policy on Managing potential breaches of the 'inducement to enrol' rules

May 2016

Purpose:

The Tertiary Education Commission (TEC) has published rules governing inducements to enrol.

Additionally, it is possible to include and promote elements in scholarships and elsewhere that, while not inducements in a strictly legal sense, might be considered frivolous or tangential to supporting academic endeavour. Such elements have the potential be construed as inducements in minds of politicians, the education bureaucracy, and media.

This policy is proposed in order to provide Government and its agencies with comfort that universities are acting responsibly, within both the letter and spirit of the rules around inducements.

By providing this comfort, universities can collectively avoid a possible alternative, which would be a tightening by Government of the specific rules around inducements.

It is reasonable to anticipate that any such tightening of the rules would be heavy-handed, and remove much of the ability universities currently have to be innovative, especially in regard to scholarships.

This policy describes how Universities NZ will mitigate this risk, through a light-handed and self-regulated approach.

Policy:

The Executive Director of Universities NZ has overall accountability for publicising and administering this Policy.

1. Identification of potential breaches of the 'Inducement to Enrol' rules.

2. There will be a link on the Universities NZ homepage to another page on the Universities NZ website that defines what is and isn't an inducement to enrol and that provides further links to the relevant page on the TEC website and to this Policy. This definition will include guidelines on elements included in scholarship packages that might be considered frivolous or tangential to supporting academic endeavour (per paragraph b in the Purpose section above).

- Where someone (the initiator) believes there may have been a breach of the Inducement to Enrol rules they will raise it with the individual university in the first instance. An email address will be included for each university on the Inducement to Enrol Rules page of the Universities NZ website.
- If the individual university has not responded within 30 days or have failed to satisfy the initiator that the rules have been followed, the person may refer the matter to Universities New Zealand. An email address will be provided on the Inducement to Enrol Rules page of the Universities NZ website.
- Whenever a report is received of a potential breach of the rules the following steps will take place;
 - The Executive Director will advise the TEC that a report has been received and is being actioned.
 - The Executive Director will carry out an initial investigation. Assuming the offer was made electronically or on a website, the initial investigation will generally be limited to getting a copy of the offer, assessing it against the TEC rules and preparing an initial report. The initial investigation will usually be carried out within a week of a report being received unless there are circumstances that make this impractical.
 - The initial report will go to the Vice-Chancellor of the university that was alleged to have breached the rules. The Vice-Chancellor may provide comment to accompany the report, including an outline of any actions planned or already in effect.
 - The initial report along with any comments from the Vice-Chancellor of the university will go to the next Universities NZ meeting. The initial report will be copied to the TEC for information.
 - At the Universities NZ meeting, the Vice-Chancellors' group will consider the report and determine what further actions, if any, are required.
 - The Executive Director will provide a summary of the decision of the Vice-Chancellors back to the initiator and advise them that, if they are unhappy with the decision of the Vice-Chancellors, they can escalate the matter to the CEO of the Tertiary Education Commission. The summary of the decision will be copied to the TEC at the same time it goes to the person who signalled the potential breach of the rules.

3. Reporting to the TEC

The Executive Director will write to the Tertiary Education Commission annually to report on action taken, if any, with regard to this policy in the preceding year.

Review

This policy will be reviewed in February 2018.

Attachment: The TEC's Rules Regarding Inducements

The following rules were copied from the TEC website on 17 December 2015:
<http://www.tec.govt.nz/Funding/Fund-finder/SAC3/Conditions/>

SAC3+ /020: TEO not to induce enrolment

This condition is imposed under section 159YC(2)(a) of the Education Act 1989.

The TEO must not secure or seek to secure a valid domestic enrolment through offering an inducement.

Definition of inducement

For the purposes of this condition, an inducement includes any of the following, where they induce a student to enrol:

- a) a financial benefit to the student; or
- b) a personal advantage to the student; or
- c) a physical item that a student retains possession of after the course of study or training has ended.

For the purposes of this condition, an inducement does not include:

- a) a scholarship, as defined below; or
- b) a physical item that:
 - i) is essential for a student to complete the compulsory requirements of his or her programme of study (including printed course notes, an e-reader for course notes, course-related textbooks); and
 - ii) cannot be returned and reused for students in subsequent intakes (for example, due to health and safety reasons; time-limited materials or materials that will be updated; or if it is not financially feasible); or
- c) an item or arrangement that has been approved by the TEC (for example, the TEC may approve an item that has minimal residual value or useful life in the general marketplace, or items that are needed for a student's pathway into the vocation for which study or training has been undertaken); or
- d) the guarantee of a job placement on the successful completion of a programme of study, backed by a partial or total money-back guarantee; or
- e) a conditional offer of a partial refund (such as a refund for a timely or electronic enrolment).

Definition of scholarship

For the purposes of this condition, a scholarship means:

- a) a merit scholarship (or prize) that comprises financial aid given to a student as a result of high academic achievement exceeding that of his or her fellow students or cohort; and/or
- b) a needs scholarship that comprises financial aid given to a student who would otherwise be significantly disadvantaged in accessing education, where the need of the student has been demonstrated through a robust application and assessment process; and/or
- c) any scholarship that:
 - i) has a clear, focused rationale for its existence; and
 - ii) has a clearly identified philanthropic aim, or supports study in a particular area of importance to the donor.