



Office of Hon Steven Joyce

Minister for Economic Development
Minister for Regulatory Reform
Minister of Science and Innovation
Minister for Tertiary Education, Skills and Employment

Minister Responsible for Novopay
Associate Minister of Finance

07 DEC 2015

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

Dear John

Determination of Design of Funding Mechanism: Medical Trainee Intern Grant

I am writing to advise you of a new funding determination made under section 159L of the Education Act 1989 for the Medical Trainee Intern Grant.

The new determination is set out in the appendix to this letter, and comes into effect on 8 December 2015.

The new determination for the Medical Trainee Intern Grant has been amended so that the Medical Trainee Intern Grant may be paid as a lump sum to graduate-entry medical students at the beginning of their sixth year of medicine, should the student elect for the Grant to be paid to them in this way. This will enable the students to use the grant to pay their tuition fees, if they choose to do so. The new determination also stipulates that an eligible intern may only receive the Medical Trainee Intern Grant once.

Under section 159O of the Act, it is the Commission's responsibility to develop the operational policy and practices needed to implement my determinations of the design of funding mechanisms. I expect that the 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 this determination.

Yours sincerely



Steven Joyce
Minister for Tertiary Education, Skills and Employment

DETERMINATION OF DESIGN OF FUNDING MECHANISM: MEDICAL TRAINEE INTERN GRANT

PRELIMINARY PROVISIONS

Statutory authority

1. This determination, which is made under section 159L of the Education Act 1989 (the Act), specifies the design of the funding mechanism for the Medical Trainee Intern Grant (funding mechanism).

Purpose

2. The Medical Trainee Intern Grant provides a stipend for medical students working as interns in their sixth year of study.

Funding mechanism relates to “other types of funding”

3. For the purposes of section 159L(2)(b) of the Act, this funding mechanism relates to “other types of funding” under section 159L(2)(b)(iii).

PART ONE: THE FUNDING MECHANISM

General parameters

Effective period dates

4. This funding mechanism is to fund the Medical Trainee Intern Grant from 8 December 2015.
5. The Tertiary Education Commission (TEC) may exercise any of its administrative functions as required to give effect to this funding mechanism before that date.

Available funding

6. The total amount of Government funding that can be allocated under this funding mechanism will be set through the Government’s annual budget processes.

Funding formula and rate

7. The TEC must allocate the Medical Trainee Intern Grant under this funding mechanism in response to annual applications from eligible tertiary education institutions (TEIs).
8. A TEI’s application for the Medical Trainee Intern Grant must specify the TEI’s number of domestic students in the sixth year of medical studies (course classification 37, funding category U2¹) working as medical interns (“eligible interns”), and a forecast of the proportion who are graduate-entry² students who will elect to receive their Trainee Intern Grant in one instalment at the beginning of their studies.

¹ For more information on course classifications and funding categories see Appendix Two of the *Determination of Design of Funding Mechanism: Student Achievement Component – provision at level 3 and above on the New Zealand Qualifications Framework*.

² A graduate-entry student is defined as a student who has completed a bachelors degree or higher-level qualification prior to entering the Bachelor of Medicine and Bachelor of Surgery programme.

9. The TEC is to pay the Medical Trainee Intern Grant to a TEI (for the TEI to pass on directly to eligible interns) at the rate of \$26,756 (GST exempt) per eligible EFTS.

TEI eligibility

10. The TEC must only fund TEIs under this funding mechanism that enrol eligible interns in the relevant academic year for which funding is sought.

Eligibility of students

11. The TEC must ensure that the funding paid to a TEI under this funding mechanism is only used to pay the Medical Trainee Intern Grant to an eligible intern in the relevant academic year for which funding is sought and that an eligible intern only receives the Medical Trainee Intern Grant once.

No eligible activities attached to funding

12. As the Medical Trainee Intern Grant provides a stipend for eligible interns, there are no activities attached to the receipt of funding.

PART TWO: FUNDING CONDITIONS

Conditions that the TEC must attach to funding

13. The TEC must impose the following specific conditions on funding provided to TEIs under this funding mechanism.

TEI responsibilities

14. The TEC must attach to funding a condition that a TEI that receives funding under this funding mechanism must:

For non-graduate-entry medical interns:

- a. pass the Medical Trainee Intern Grant on to the interns for whom it was sought; and
- b. pay the stipend to interns in 12 monthly instalments over the course of each intern's enrolment in his or her sixth year of study.

For graduate-entry medical interns:

- a. pass the Medical Trainee Intern Grant on to the interns for whom it was sought; and
- b. pay the stipend in the manner elected by the intern, either:
 - i. in one instalment, at the beginning of their sixth year of study; or
 - ii. in 12 monthly instalments over the course of the intern's enrolment in their sixth year of study.

15. The TEI must also report to the TEC, when required, on the number of interns who received the Medical Trainee Intern Grant, including the number who received the grant in instalments or in full at the beginning of their sixth year.

Students and enrolments

16. The TEC must attach to funding a condition that a TEI that receives funding under this funding mechanism must ensure that each student to whom the Medical Trainee Intern Grant is paid is an eligible intern.

Recovery of over funding

17. The TEC must attach to funding a condition that if a TEI receives funding under this funding mechanism that is greater than it should have been, or that it was not entitled to receive, the TEI must treat the amount of the over-funding as a debt due to the Crown that:
 - a. is repayable on demand; and
 - b. may be set-off against all or any funding, or any sum of money payable by the TEC to the TEI.
18. The TEC must provide the TEI with reasonable notice before exercising its right to demand repayment or set-off the debt against any or all funding.

TEC administrative responsibilities

19. If a TEI receives funding under this funding mechanism that is less than it should have been, or that it was entitled to receive, the TEC must pay the amount of the under-funding as soon as reasonably practicable.