

Hon Chris Hipkins

MP for Remutaka

Minister of Education

Minister of Police

Minister for the Public Service

Leader of the House



Jenn Bestwick
Board Chair
Tertiary Education Commission
PO Box 27-048
Wellington 6141

Dear Jenn,

Determination of Design of Funding Mechanism: Performance-Based Research Fund

I am writing to advise you of a new Determination of the Design of Funding Mechanism: Performance-Based Research Fund, issued under section 419 of the Education and Training Act 2020 (the Act). The determination is set out in the appendix to this letter.

This determination replaces the previous determination issued in 2014 and provides direction to the Tertiary Education Commission (TEC) on the design of the Performance-Based Research Fund (PBRF), and high-level details on its operation. This letter lists the key changes in the determination and provides further guidance on additional changes to the PBRF.

Summary of changes

Following a review of the PBRF, beginning in mid-2019, a number of changes were agreed by Cabinet in 2021. The changes will improve the PBRF by:

- Adding a new objective to the PBRF, to support a robust and inclusive system for developing and sustaining research excellence in Aotearoa New Zealand;
- Refreshing the PBRF guiding principles to better reflect the partnership between the Crown and Māori, and to promote equity, diversity and inclusiveness;
- Supporting Māori researchers and research by increasing the subject area weighting for Evidence Portfolios assessed by the Māori Knowledge and Development panel from 1 to 3 and applying a funding weighting of 2.5 for Evidence Portfolios submitted by Māori staff;
- Supporting Pacific researchers and research in the PBRF by increasing the subject area weighting for Evidence Portfolios assessed by the Pacific Research panel from 1 to 2.5 and applying a funding weighting of 2 for Evidence Portfolios submitted by Pacific staff;
- Providing certainty for Te Pūkenga in the next Quality Evaluation (QE) round by ensuring that the proportion of QE component funding received by Te Pūkenga following the 2026 QE is at least 90% of the allocation Te Pūkenga received based on the Institutes of Technology and Polytechnics' (ITPs) scores in the 2018 QE;

- Amending the External Research Income component by increasing the weighting of the Overseas Research Income category from 1.5 to 3.5, and increasing the weighting for New Zealand Non-Government Income from 2 to 4, to better reflect non-governmental sources of income;
- Broadening the PBRF definition of research by rewording the definition of research and research excellence, and making changes to Evidence Portfolios. This includes changes to better recognise and reward a broader range and diversity of research, and to better recognise collaboration and engagement;
- Revising the Extraordinary Circumstances qualifying criteria to promote equity and inclusion; and
- Simplifying the New and Emerging qualifying criteria.

This determination includes provisions that will give effect to a number of these changes. However, some of these changes are not included in the determination, either because they are of a detailed operational nature, fall outside the scope of the determination, or are subject to further review or change by the TEC before the next QE in 2026.

In line with Cabinet's decisions, I expect the TEC to design and implement the four changes detailed below, in consultation with the Sector Reference Group it has established for the 2026 QE.

Rewording the PBRF definition of research

The TEC is to redefine the PBRF definition of research and research excellence to encompass the production of research, engagement, and impact relating to that research and support diverse research cultures. Expanding this definition of research is intended to:

- Better support a broader range and diversity of research being recognised and rewarded by the QE;
- Allow for a focus on quality rather than quantity;
- Better recognise collaboration and engagement, particularly with end users; and
- Emphasise excellence and promote inclusion.

Definitions of research and research excellence are not included in this funding determination. Instead, I will look to TEC to publish the reworded definitions (determined as above) in an appropriate, accessible location.

Making changes to Evidence Portfolios

The TEC is to make changes to the Evidence Portfolios submitted by staff in the QE to complement the new PBRF definition of research. This will involve design and implementation work across three aspects of Evidence Portfolios, by:

- Replacing the Nominated Research Output section with an Examples of Research Excellence section;
- Replacing the current Other Research Output section with an Other Examples of Research Excellence section; and
- Reviewing the Research Contribution component with a view to complement the new Examples of Research Excellence section.
- Revising the Extraordinary Circumstances qualifying criteria

The TEC is to revise the Extraordinary Circumstances qualifying criteria to:

- Introduce a merit-relative-to-opportunity element to allow assessment of research quantity in ways that promote equity and inclusion;
- Ensure the process collects and evaluates information in a sensitive way, and limits the number of people with access to this information;
- Review and potentially remove the minimum threshold of three years;
- Allow for part-time employment to be considered more deliberately throughout assessment, including potentially in this category; and
- Take account of the negative impacts of COVID-19.

Simplifying the new and emerging qualifying criteria

The TEC is to simplify the New and Emerging qualifying criteria. Any changes should also align with the proposed changes to the PBRF definition of research.

Operation and implementation

I am aware that the TEC has appointed a Sector Reference Group for the 2026 QE, and in doing so considered how best to appoint a group that demonstrates a strong commitment to Māori-Crown partnership and comprises a diverse membership. In line with Cabinet's decisions, I expect the TEC to design and implement the above changes in consultation with this Sector Reference Group.

I also expect the TEC to discontinue the reporting of Average Quality Score metrics for the next QE.

Under section 422 of the Act, it is the TEC's responsibility to develop the operational policy and practices needed to implement the PBRF.

Yours sincerely



Hon Chris Hipkins
Minister of Education