

Funding Mechanism: Performance-Based Research Fund

The Performance-Based Research Fund (PBRF) is designed to:

- Increase the average quality of research;
- Ensure that research continues to support degree and postgraduate teaching;
- Ensure that funding is available for postgraduate students and new researchers;
- Improve the quality of information on research outputs;
- Prevent undue concentration of funding that would undermine research support for all degrees or prevent access to the system by new researchers; and
- Underpin the existing sector strengths in tertiary education research.

Funding will be allocated under this funding mechanism by the Tertiary Education Commission (TEC) through the TEC's approval of funding of investment plans submitted by Tertiary Education Organisations (TEOs).

General parameters

Legal Authority

1. This funding determination is made under section 159L of the Education Act 1989 ("the Act").
2. PBRF funding is paid by the TEC under section 159YA of the Act.

Policy parameters

3. Funding Mechanism — Policy Parameters
4. The determination of the design of this funding mechanism is made under s159L of the Education Act 1989 ("the Act").
5. Funding will be allocated under this funding mechanism by the Tertiary Education Commission (TEC) through the TEC's approval for funding of plans submitted by tertiary education organisations (TEOs) as defined by section 159B of the Act.
6. Funding under this mechanism is restricted to TEOs that have funding approval for a plan or to TEOs which are otherwise exempt from the requirement to submit a plan for funding approval.
7. The total amount of PBRF funding will be set through the Government's annual budget processes.

Specific conditions that must be attached to all funding paid under this determination

Recovery of funding

8. The TEC must require that, if the results of an audit, reporting or statistical returns indicate that the amount of a payment of funding provided under this funding determination was greater than it should have been, the amount of the over-funding is, following consultation with the TEO:
 - a. repayable to the TEC on demand; and
 - b. treated as a debt that is subject to the TEC's set off rights under any condition attached to funding.
9. If the results of an audit, reporting or statistical returns indicate that the amount of a payment of funding provided under this funding determination was less than it should have been, the TEC must credit the amount of the under-funding to an account nominated by the TEO as soon as reasonably practicable.

Repayment of funding

10. The TEC must require that, if the TEC:
 - a. revokes a TEO's funding for an investment plan or part of an investment plan before some or all of the funding provided to the organisation has been used for, or contractually committed to, the purposes of the plan for which that funding was provided; or
 - b. considers on reasonable grounds that a TEO has received funding that it was not entitled to receive;

then the amount of that funding not used for, or contractually committed to, the purposes for which it was provided and/or overpaid is:

- a. repayable to the TEC on demand; and
- b. treated as a debt that is subject to the TEC's set off rights under any funding condition.

Setting-off of debts or liabilities

11. The TEC may set off, against all or any funding or other sum of money payable by the TEC to a TEO, any debt or other sum of money payable to the TEC by that TEO (including pursuant to any funding condition) where such debt or liability of the TEO has been outstanding to the TEC for ninety days or more.

Essential components

12. The PBRF aims to increase the average quality of research and improve the quality of information on research outputs while underpinning the core strengths of tertiary education research.
13. A primary focus of the PBRF is to reward and encourage research excellence.
14. "Excellence" as a researcher includes all of the following activities:

- a. The production and creation of leading-edge knowledge;
 - b. The application of that knowledge;
 - c. The dissemination of that knowledge to students and the wider community; and
 - d. Supporting current and potential colleagues (e.g. postgraduate students) in the creation, application and dissemination of knowledge.
15. Excellence is to be measured by a combination of external peer review, and research degree completions and external research income indicators.
16. The PBRF also aims to promote the development of lively and productive research cultures, which produce high-quality research, are attractive and effective learning environments for students, and are actively engaged with relevant communities.

General approach

17. The approach to funding for the PBRF will be based on three elements:
- a. One dependent on peer assessment of the research contribution of individual staff members of tertiary education providers;
 - b. One based on a postgraduate completions measure; and
 - c. One based on an external research income measure.
18. All funding allocated through the PBRF will be delivered in the form of a bulk grant.

Definition of "research"

19. For the purposes of PBRF, research is original investigation that contributes to knowledge and understanding and that is open to scrutiny and evaluation.

Participation in the PBRF

20. All New Zealand-based degree-granting tertiary education providers that receive funding through the Student Achievement Component, including all subsidiaries that are wholly-owned by these providers, are eligible to participate in the PBRF.
21. Tertiary education providers choosing to participate in the PBRF are required to participate in all three measures (i.e. the Quality Evaluation, Research Degree Completions (RDC) and External Research Income (ERI)), even if their funding entitlement in one or more measure is zero, or likely to be zero.
22. A PBRF-eligible tertiary education provider that chooses not to participate in the Quality Evaluation is ineligible to make claims for funding through the ERI and RDC measures until the next Quality Evaluation.
23. All provider staff will be included in the PBRF if they are employed by the provider on the staff census date under a contract of salaried employment with a duration of at least a year, and are employed for a minimum of 0.2 FTE over the entire year, and their employment functions include a substantive contribution to research and/or teaching degree-level programmes.

Peer review of researchers by external panels

24. The evaluation of researcher quality in the PBRF will be the responsibility of subject-based external peer review panels, made up of experts in their fields.
25. There will be an overarching peer review panel composed of moderators, which will moderate the evaluations of the subject-based panels.
26. The Quality Evaluation process will place eligible staff into one of six categories – A, B, C, C(NE), R or R(NE). Category “A” will signify researcher excellence at the highest levels, and Category “R” or “R(NE)” will represent research activity or quality at a level which is insufficient for recognition by the PBRF for funding purposes.
27. The Categories “C(NE)” and “R(NE)” will be available to new and emerging researchers only. For the purposes of the PBRF Quality Evaluation 2012 a staff member is “new and emerging” if their first appointment to a PBRF-eligible position (or a change in their employment conditions making their position newly PBRF-eligible) was on or after 1 January 2006.
28. The procedure for providers submitting Evidence Portfolios (EPs) is:
 - a. Providers determine “new and emerging” researchers;
 - b. Providers determine those EPs that are clearly “R” or “R(NE)”;
 - c. Providers submit to the TEC all EPs except those determined by the provider as clearly “R” or “R(NE)”.

Determining PBRF funding for tertiary education providers

29. The total amount of funding in the PBRF will be divided into three elements:
 - a. One dependent on peer assessment of the research contribution of individual staff members of tertiary education providers (60% weighting) including their contribution to research outputs, peer esteem factors, contribution to the research environment and research training, by way of an evidence portfolio;
 - b. One based on a postgraduate completions measure (25%); and
 - c. One based on an external research income measure (15%).
30. Funding to reward and encourage the quality of researchers will be allocated on the basis of the total number of staff in Categories A, B and C, weighted to reflect the:
 - a. Numerical quality scores of individuals within that provider;
 - b. FTE status of those individuals; and
 - c. Cost weighting for their subject area.

31. The numerical quality scores used to determine funding allocations in relation to researchers assigned to the six quality categories will be:

Quality category	Numerical score
<i>Category A</i>	5
<i>Category B</i>	3
<i>Category C or C(NE)</i>	1
<i>Category R or R(NE)</i>	0

32. The cost weightings for the PBRF will be:

Subject areas	Weightings
Arts, Social Sciences, Business, Accountancy, Law, Teaching	1
Science, Computing, Nursing, Music, Fine Arts	2
Engineering, Agriculture, Architecture, Audiology, Veterinary Science, Medicine, Dentistry, Specialist Large Animal Science	2.5

33. Only completions of research-based postgraduate degrees with a significant externally-assessed wholly-research component (≥ 0.75 EFTS) will generate funding for providers.
34. Funding for research degree completions will be allocated according to the number of completions, weighted to reflect the:
- Volume of research in the programme; and
 - Relative cost of the subject, based on the provisional cost weightings in paragraph 20 above.
35. An equity weighting of 2 will be added to completions of postgraduate research degrees by Māori and Pacific students. A strategic weighting of 4 will be added to completions of postgraduate research degrees in which the content is entirely written in te reo Māori. The strategic weighting always takes precedence over the equity weighting and does not combine with it.
36. "External research income" includes income from public and private sources for research conducted by an eligible tertiary education provider or a wholly-owned subsidiary. Research income from competitive sources in VOTE: Education (excepting PBRF) is included.
37. All eligible forms of external research income will be treated equally in the funding formula.
38. The PBRF will allocate funding for external research income on a proportional basis (i.e. the proportion of the total external research income earned by participating providers).