

**Tertiary Education
Commission**
Te Amorangi Mātauranga Matua



2027 Global Indicative Allocation Methodology

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Every effort is made to provide accurate and factual content. The TEC, however, cannot accept responsibility for any inadvertent errors or omissions that may occur.



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Funds included in this document

This document provides the allocation methodology and specifications for calculating the 2027 indicative funding allocations. It covers the funds listed below:

Foundation, Community and Youth Transition Funds

- › Adult and Community Education (Communities)
- › Adult and Community Education (Schools)
- › Adult and Community Education (Tertiary Education Institutions)
- › Delivery at Levels 1 and 2 on the New Zealand Qualifications and Credentials Framework (NZQCF) (including the Special Supplementary Grant)
- › Gateway
- › Intensive Literacy and Numeracy
- › English Language Teaching – Intensive Literacy and Numeracy
- › Refugee English – Intensive Literacy and Numeracy
- › TEO-led Workplace Literacy and Numeracy
- › Youth Guarantee (including Exceptional Travel, Wellbeing and Pathway Support Subsidy and Premium Payments)

Vocational Funds

- › Delivery at Levels 3 to 7 (non-degree) on the NZQCF and all industry training (DQ3-7)
- › Vocational Education and Training equity (Learner Component)

Degree and Research Funds

- › Delivery on the NZQCF at Levels 7 (degree) and above Fund (DQ7+)
- › Equity Fund

Other Funds

- › Transitional Support for Strategically Important Provision Fund
- › Ngā Whare Wānanga Allocated Fund

Other funds included in this document that do not receive an **indicative** funding allocation for 2027:

- › Youth Guarantee Exceptional Travel
- › Youth Guarantee Premium Payments
- › Youth Guarantee Wellbeing and Pathways Support Subsidy
- › Medical Trainee Intern Grants
- › Māori and Pasifika Trades Training (MPTT), including:
 - › MPTT Fees Top-Up
 - › MPTT Brokerage Monthly
 - › MPTT Brokerage Success
 - › MPTT Consortium
- › Performance-Based Research Fund (PBRF)

This document provides a summary of how we calculated your indicative allocation. For more details regarding your specific indicative allocation, please contact customerservice@tec.govt.nz or your Relationship Advisor/Manager.

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How to use this document

The 2027 Global Indicative Allocation and Additional Funding document is broken up into **fund category** and **fund** sections. The three fund categories that include indicative allocation and additional funding methodology details are:

- › Foundation, Community, and Youth Transition Funds
- › Vocational Funds
- › Degree and Research Funds.

Each **fund** section contains the information needed to understand and calculate the 2027 indicative allocation amounts:

- › Fund name and purpose
- › Base methodology (or “starting point” for the indicative allocation calculation)
- › Methodology details: each methodology may have several additional contributing factors beyond the base methodology. These factors are fund dependent and may include:
 - › methodology components and inputs
 - › delivery data conversions
 - › data cut-offs
 - › assumptions
 - › performance adjustments
 - › approach to mergers
 - › funding rates
 - › exceptions, and
 - › other details necessary to calculate the indicative allocations.

Information about the additional funding process, including what funds will be open for additional funding request applications and how to request additional funding in 2027, is in the yellow boxes.

Foundation, Community and Youth Transition Funds

Foundation, Community and Youth Transition Funds

Funds included in this section:

- › Adult and Community Education (ACE) Fund:
 - › ACE (Communities)
 - › ACE (Schools)
 - › ACE (Tertiary Education Institutions)
- › Delivery at Levels 1 and 2 on the NZQCF (DQ1-2) Fund:
 - › DQ1-2
 - › DQ1-2 Special Supplementary Grant (SSG)
- › Intensive Literacy and Numeracy (ILN) and English Language Teaching (ELT) Funds:
 - › ILN
 - › English Language Teaching – Intensive Literacy and Numeracy (ELT-ILN)
 - › Refugee English ILN
 - › Tertiary Education Organisation-led Workplace Literacy and Numeracy (TEO-led WLN)
- › Youth Transition Funds:
 - › Gateway
 - › Youth Guarantee (YG), including Exceptional Travel, Wellbeing and Pathway Support Subsidy and Premium Payments

We have applied the same **indicative allocation methodology** for all the Foundation, Community and Youth Transition:

To calculate the basis of your 2027 indicative allocation for each of the Foundation, Community and Youth Transition Funds:

We have rolled over your 2026 current amended allocation, unless your 2025 delivery was less than 80% (rounded up to the nearest whole percent) of your 2025 current amended allocation. If that is the case, your indicative allocation is the lesser of your value of delivery from 2025 (uplifted to 2026 rates) or 2026 current amended allocation.

Methodology calculation details

- › **First time and \$0 delivery:** How we used your 2026 current amended allocation and 2025 delivery:
 - If you delivered for the first time in 2025 or 2026, your 2027 indicative allocation is rolled over from your 2026 allocation, no matter your delivery levels.
 - If you delivered \$0 in 2025 (and were not delivering for the first time in 2025 or 2026), your 2027 indicative allocation is \$0.
- › **Use of dollars (\$):** All indicative calculations use prior allocations and actual delivery measured in dollars (\$) with all indicative calculation outputs in dollars (\$).

Fund specific notes

- › **Performance adjustments:** The following funds are subject to a performance adjustment, calculated after your base indicative allocation is calculated (see the “Performance adjustment” sub-sections under each fund below):
 - DQ1-2
 - YG
 - TEO-led WLN
 - ILN
 - ELT
 - Gateway.
- › **Use of learner numbers:** Gateway and Refugee English ILN use **learner numbers** to calculate the indicative allocation methodology (not dollars). Where the underlying calculation uses dollars, your indicative allocation will be **rounded up** to the nearest whole learner.
- › **DQ1-2 delivery:** The 2025 delivery figure used to calculate the indicative allocation is **net of offsets**. These offsets include where an Equivalent Full-Time Student (EFTS) value of more than 1.0 EFTS per year was assigned to a programme in 2025.

Note that this offset has already been applied in your prior wash-up calculation, so your final calculated delivery for 2025 aligns with the delivery used in the indicative allocation calculation.
- › **YG delivery:** The 2025 delivery figure used to calculate the indicative allocation is **net of offsets**. These offsets include where delivery of YG qualifications at Level 3 on the New Zealand Qualifications and Credentials Framework (NZQCF) in 2025 exceeded allocations (commitments) for the YG qualifications at Level 3 on the NZQCF in 2025.

Note that this offset has already been applied in your prior wash-up calculation, so your final calculated delivery for 2025 aligns with the delivery used in the indicative allocation calculation.
- › **DQ1-2 SSG:** The indicative allocation for DQ1-2 SSG is based on a **rollover** of the 2026 allocation.

Rates and uplifts

- › **Rate uplift:** Your indicative allocation is reflective of the 2% rate increase for 2027 as announced by the Minister for Tertiary Education.
- › **Prior year data uplift:** All prior-year data is adjusted to 2026 rates when calculating indicative allocations. For example, if your allocation is based on 2025 delivery, those figures are uplifted to reflect 2026 rates.

In-year amendments

- › **Prior to cut-off date:** Any 2026 in-year amendments (including increases and decreases) approved prior to Friday 15 May 2026 have been included in the calculation to inform your 2027 allocation.
- › **After cut-off date:** For any 2026 in-year amendments approved after Friday 15 May 2026, we will advise whether the funding has been added to your 2027 indicative allocation.

Approach for TEOs who were previously or are currently a division of NZIST

- › **Methodology:** The final indicative allocation for the tertiary education organisations (TEOs) who were previously or currently a division of the New Zealand Institute of Skills and Technology (NZIST) will be based on the base methodology plus adjustments. These adjustments will be informed by prior engagement and collaboration work to validate 2026 allocation, current commitments, and current delivery and forecast levels. Where appropriate, we have applied a **2026 rollover** allocation for TEOs who were previously or currently a division of NZIST.
- › **NZIST:** The indicative allocation for the institutes of technology and polytechnics (ITPs) currently **within** NZIST (6683) will show for NZIST as a single organisation.
- › **Organisations outside of NZIST:** The indicative allocation for the ITPs, Industry Skills Boards (ISBs) and private training establishments (PTEs) who were previously a part of NZIST, and are now standalone, will show as individual indicative allocations for each organisation.

Approach for PTE mergers

- › **PTEs:** All PTE mergers will have associated delivery and 2027 indicative allocations transferred to the remaining (or final) provider EDUMIS for 2027. Mergers must be confirmed by the New Zealand Qualifications Authority (NZQA), and communicated to the Tertiary Education Commission (TEC), prior to Friday 15 May 2026.

Determining final allocations and adjustments based on forecasts

- › **Delivery monitoring:** The TEC actively monitors delivery volumes throughout the year, including forecasts based on Single Data Return (SDR) data, Industry Training Register (ITR) data, data submitted on DXP Ngā Kete, and prior delivery trends.

Additional Funding can be requested for all foundation, community, and youth funds

An Additional Funding Request form will be made available on the TEC website. The form, information required for the request, and the criteria that we will apply will be available from June 2026.

ACE Funds

ACE (Communities) funding

The purpose of the ACE (Communities) Fund is to purchase provision that provides adults with community-based education, foundation skills, and pathways into other learning opportunities that meet community learning needs.

ACE (Schools) funding

The purpose of the ACE (Schools) Fund is to purchase provision that provides adults with community-based education, foundation skills, and pathways into other learning opportunities that meet community learning needs from schools.

ACE in ITPs and wānanga (also referred to as ACE in TEIs)

The purpose of the ACE in TEIs Fund is to purchase provision that provides adults with community-based education foundation skills, and pathways into other learning opportunities that meet community learning needs provided by TEIs.

ACE in TEIs funding supports: the learning of foundational skills, re-engagement of learners whose previous learning was not successful, and progression of learners into formal tertiary education.

DQ1-2 and YG Funds

DQ1-2 funding (excluding SSG)

The DQ1-2 Fund contributes to the provision of teaching and learning services for enrolled learners at TEOs. The objectives of foundation-level tertiary education (Levels 1 and 2 on the NZQCF) are to:

- › provide people who do not already have essential foundation skills with access to a low-cost way to gain those skills
- › provide progression to higher-level study and skilled employment
- › build the literacy and numeracy skills of eligible learners, and
- › enable learners to learn English or te reo Māori.

Note: Māori and Pasifika Trades Training (MPTT) is not included within the DQ1-2 allocations. Delivery of MPTT provision at Levels 1 and 2 will be included as a top-up for eligible organisations.

Further manual adjustments, including performance adjustments

In addition to the base methodology, we have adjusted allocations based on historic under-delivery, Repayment Plans, and Educational Performance Indicators (EPIs).

These adjustments allow us to make reductions further than your base 2027 indicative allocation in DQ1-2 funding. If you are subject to any manual adjustment, you may have met one or more of the following criteria:

- › You have a history of failing to return unused funding, have requested a Repayment Plan to repay your 2024 and/or 2025 debt, or are considered “high” financial risk by the TEC.
- › You have a history of low EPIs (eg, course completions or qualification completions), as identified through your latest performance information or as signalled through the previous 2026 investment round.
- › You have historically under-delivered against your allocation, or you are forecast to under-deliver in 2026, and the base output of your 2027 indicative allocation is not aligned to delivery expectation levels.

Note: If you delivered in DQ1-2 for the first time in 2025 or 2026, we have not undertaken a performance adjustment of your 2027 indicative allocation for DQ1-2 funds.

If you have received a 2027 indicative allocation of \$0 for DQ1-2, you will be able to submit an Additional Funding Request in the 2027 investment round.

DQ1-2 SSG funding

The Special Supplementary Grant for Inclusive Education (SSG) is available to TEOs that have previously delivered provision to learners requiring increased assistance. The grant is designed to make access to tertiary education easier for learners requiring increased assistance. It helps provide additional tutorial support (above normal staffing levels) to work with learners who need it. Learners must be studying towards a qualification listed on the NZQCF at Level 1 or 2.

YG funding

The purpose of the YG Fund is to provide fees-free tertiary study for eligible Domestic Students aged 16 to 24 years (inclusive) who are studying towards:

- › the National Certificate of Educational Achievement (NCEA) Level 1, 2 or 3 aligned to the Vocational Pathways, or
- › a qualification at Level 1, 2 or 3 on the NZQCF which is intended to enable learners to progress to higher-level education or employment.

Note: Your 2027 indicative allocation is **exclusive** of any **YG Premium, YG Wellbeing and Pathways Support subsidy** and **YG Exceptional Travel** funding.

Further manual adjustments, including performance adjustments

As well as the base methodology, we have made manual adjustments to allocations based on historic under-delivery, Repayment Plans, and EPIs.

These adjustments allow us to make reductions further than your base 2027 indicative allocation in YG funding. If you are subject to any manual adjustment, you may have met one or more of the following criteria:

- › You have a history of failing to return unused funding, have requested a Repayment Plan to repay your 2024 and/or 2025 debt, or are considered “high” financial risk by the TEC.
- › You have a history of low EPIs (eg, course completions or qualification completions), as identified through your latest performance information or as signalled through the previous 2026 investment round.
- › You have historically under-delivered against your allocation, or you are forecast to under-delivery in 2026, and the base output of your 2027 indicative allocation is not aligned to delivery expectation levels.

Note: If you delivered in YG for the first time in 2025 or 2026, we have not undertaken a performance adjustment of your 2027 indicative allocation for YG funds.

If you have received a 2027 indicative allocation of \$0 for YG, you will be able to submit an Additional Funding Request in the 2027 investment round.

YG Premium

Your 2027 **final** allocation will include the YG Premium payment. The YG Premium funds Level 1 and 2 qualifications at 50% above standard YG rates, ensuring you receive full funding for 1 EFTS per 80 credits delivered. We will allocate the YG Premium based on your 2027 commitments and adjust your final funding based on actual delivery. Note that Significant Plan changes during the year may impact your premium needs, and we will adjust allocations if necessary.

YG Wellbeing and Pathways Support Subsidy

Your 2027 **final** allocation will include the YG Wellbeing and Pathways Support Subsidy. This will be calculated based on approved commitments in your 2027 Mix of Provision, using the following formula: [Sum of Level 1 and 2 Funded EFTS x 1.5 x Funding rate] + [Sum of Level 3 Funded EFTS x Funding rate].

YG Exceptional Circumstances Transport Assistance (ECTA)

Any YG ECTA will be calculated after the Single Data Returns (SDR) within 2027. This funding is to provide additional transport assistance to students who live in relatively isolated areas who may have higher transport needs. ECTA funding is based on EFTS delivered, and the rural isolation of the site where the delivery took place.

Gateway

The purpose of Gateway funding is to enable secondary state schools, state integrated schools and charter schools to give senior learners opportunities to access quality, structured workplace learning that is integrated with school-based learning. Learners have their learning assessed in the workplace and can achieve credits, which may align to one or more Vocational Pathways, towards NCEA or other qualifications on the NZQCF.

Note: Gateway uses **learner numbers** rather than dollars to match the cohort-based funding rate. We look at your **learners delivered** in 2025, and **learners allocated** in 2026.

The Gateway establishment funding is not included in the 2027 indicative allocation (as these are one-off payments).

Rate Sliding Scale

You can use the 2027 Fund Rate Sliding Scale to understand the number of places your indicative allocation dollar value relates to. This is available on the TEC website at [Funding and Payments](#).

Performance adjustment

As well as the base methodology, we make a performance adjustment to Gateway funding. The performance adjustment applies if your average credit achievement per learner is less than 10 credits. Where you meet this performance adjustment threshold, your 2027 indicative allocation will be reduced by a **25%** reduction in the learner count, rounded up to the nearest whole learner. This ensures alignment in your allocation to the Fund Rate Sliding Scale after the performance adjustment.

Note the average credit achievement per learner is dependent on validation (and alignment of National Student Numbers (NSNs)) reported between the actuals report and the unit standard report. That is, where an NSN is not reported in the actuals report but is reported in the unit standard report, it will not be validated and decrease the average credit achievement value.

A learner who withdraws from a Gateway programme after one month's enrolment will be excluded from your average credit per learner calculation.

If you delivered Gateway for the first time in 2025 or 2026, we have not undertaken a performance adjustment of your 2027 indicative allocation for Gateway.

LN and ELT Funds

TEO-led WLN funding

The purpose of the WLN Fund is to increase the literacy and numeracy skills of employees and contribute to workplace productivity through provision of literacy and numeracy learning in a workplace context.

Performance adjustment

In addition to the base methodology, we make a performance adjustment. The performance adjustment applies if 40% or more of your 2025 enrolled learners (who are learners who have completed their learning in 2025 by having an end date in 2025) received less than 25 hours of literacy, numeracy, or literacy and numeracy tuition. Where you meet this performance adjustment threshold, your 2027 indicative allocation will be reduced by **5%**. Note: Where a learner is reported more than once in a year, if their end and start date between the instances is less than 90 days, then they are counted as one learner.

If you provided TEO-led WLN for the first time in 2025 or 2026, we have not undertaken a performance adjustment of your 2027 indicative allocation for TEO-led WLN.

ILN funding

The purpose of the ILN Fund is to fund TEOs for intensive provision of high-quality literacy and numeracy learning opportunities within an appropriately structured environment. The ILN Fund supports intensive provision of high-quality, fees-free literacy and numeracy learning opportunities for learners with low-level literacy and numeracy skills.

We fund intensive literacy and numeracy provision to:

- › raise adults' literacy and numeracy skills
- › increase opportunities for adults to engage in literacy and numeracy learning, particularly for those in low-skilled employment, and
- › improve the quality and relevance of provision, including the ability to identify learner need.

Performance adjustment

In addition to the base methodology, we make a performance adjustment. The performance adjustment applies if 40% or more of your 2025 enrolled learners (who are learners who have completed their learning in 2025 by having an end date in 2025) received less than 80 hours of literacy, numeracy, or literacy and numeracy tuition. Where you meet this performance adjustment threshold, your 2027 indicative allocation will be reduced by 5%. Note: Where a learner is reported more than once in a year, if their end and start date between the instances is less than 90 days, then they are counted as one learner.

If you provided ILN for the first time in 2025 or 2026, we have not undertaken a performance adjustment of your 2027 indicative allocation for ILN.

ELT-ILN funding

The ELT-ILN Fund supports intensive provision of high-quality, fees-free ELT literacy and numeracy learning opportunities, to help adult learners gain the literacy and numeracy skills needed to progress to further study or the workplace.

We fund specialised ELT provision to:

- › increase opportunities for adults to engage in English literacy and numeracy learning, particularly migrants and people with a refugee background, and
- › raise adults' English literacy and numeracy skills to help learners progress to further study and employment, and
- › fund intensive provision of ELT-ILN learning opportunities within an appropriately structured environment.

Performance adjustment

In addition to the base methodology, we make a performance adjustment. The performance adjustment applies if 40% or more of your 2025 enrolled learners (who are learners who have completed their learning in 2025 by having an end date in 2025) received less than 20 hours of literacy, numeracy, or literacy and numeracy tuition. Where you meet this performance adjustment threshold, your 2027 indicative allocation will be reduced by 5%. Note: Where a learner is reported more than once in a year, if their end and start date between the instances is less than 90 days, then they are counted as one learner.

If you provided ELT for the first time in 2025 or 2026, we have not undertaken a performance adjustment of your 2027 indicative allocation.

Refugee English ILN funding

The Refugee English ILN Fund supports refugees to reach a level of English that will allow them to enter employment or undertake their choice of vocational or degree-level education.

The purpose of specialised ELT funds is to:

- › increase opportunities for adults to engage in English literacy and numeracy learning, particularly migrants and people with a refugee background, and
- › raise adults' English literacy and numeracy skills to help learners progress to further study and employment, and
- › support learners with a refugee background, or other special circumstances related to their transition to residence in New Zealand, to reach a level of English that will allow them to enter employment or undertake their choice of vocational or degree-level education, by providing fees-free access to English Language programmes at Levels 3 to 5 on the NZQCF.

Note: The Refugee English – ILN indicative allocation has been calculated using the prior year allocation and delivery volumes by **learner counts** (as opposed to the value of delivery).

Vocational Funds

Vocational Funds

Funds included in this section:

- › Delivery at Levels 3 to 7 (non-degree) on the NZQCF and all industry training (DQ3-7) Fund
- › Vocational Education and Training Learner Component

DQ3-7 Fund

This fund is the Government's contribution towards the cost of education and training services for learners enrolled at a tertiary education organisation and studying towards a qualification listed on the New Zealand Qualifications and Credentials Framework (NZQCF) at Levels 3 to 7 (non-degree).

To calculate the basis of your 2027 indicative allocation for the DQ3-7 Fund:

Funding will be allocated for all education and training at DQ 3–7 (non-degree) and industry training based on the subject, how delivery occurs (mode of delivery), and the amount of learning (common across all modes).

We have rolled over your 2026 current amended allocation, unless your 2025 delivery was less than 80% (rounded up to the nearest whole percent) of your 2025 current amended allocation. If that is the case, your indicative allocation is the lesser of your value of delivery from 2025 (uplifted to 2026 rates) or 2026 current amended allocation.

Calculation, measurement, and adjustments

- › **First time and \$0 delivery:** How we used your 2026 current amended allocation and 2025 delivery:
 - › If you delivered for the first time in 2025 or 2026, your 2027 indicative allocation is rolled over from your 2026 allocation, no matter your delivery levels.
 - › If you delivered \$0 in 2025 (and were not delivering for the first time in 2025 or 2026), your 2027 indicative allocation is \$0.
- › **Use of dollars (\$):** All indicative calculations use prior allocations and actual delivery measured in dollars (\$) with all indicative calculation outputs in dollars (\$).
- › **Delivery offsets:** All delivery figures are net of the **early withdrawal**, **off-job transfer**, and **Managed Apprenticeship transfer** offset adjustments applied on the 2025 delivery values (in alignment to the delivery calculated for the wash-up process).
- › **Delivery split for work-based providers:** If you receive both provider-based (PB) and work-based (WB) funding, your allocations and delivery are calculated and compared separately to inform your overall DQ3-7 indicative allocation.

Note: A revised split between provider-based and work-based categories can be discussed with your Relationship Advisor/Manager.

Data, rates and uplifts

- › **Prior-year data uplift:** All prior-year data is adjusted to 2026 rates when calculating indicative allocations. For example, if your allocation is based on 2025 delivery, those figures are uplifted to reflect 2026 rates.

- › **Prior delivery exclusion:** Between 2023 and 2025 there was the “pathway-to-work” delivery mode. This mode ceased to exist at the end of 2025 and has not been included in the indicative allocation calculation.
- › **Rate uplift:** No rate increase has been applied to your 2027 indicative allocation, except for the uplift to the Mātauranga Māori increase (on rates F6) as applied from 2024.

In-year amendments

- › **Prior to cut-off date:** Any 2026 in-year amendments (including increases and decreases) approved prior to Friday 15 May 2026 have been included in the calculation to inform your 2027 allocation.
- › **After cut-off date:** For any 2026 in-year amendments approved after Friday 15 May 2026, we will advise whether the funding has been added to your 2027 indicative allocation.

Approach for TEOs who were previously or are currently a division of NZIST:

- › **Methodology:** The final indicative allocation for the TEOs who were previously or currently a part of the New Zealand Institute of Skills and Technology (NZIST) will be based on the base methodology plus adjustments. These adjustments will be informed by prior engagement and collaboration work to validate 2026 allocations, current commitments, and current delivery and forecast levels. Where appropriate, we have applied a **2026 rollover** allocation for tertiary education providers (TEOs) who were previously or currently a part of NZIST.
- › **NZIST:** The indicative allocation for the institutes of technology and polytechnics (ITPs) currently **within** NZIST (6683) will show for NZIST as a single organisation.
- › **Organisations outside of NZIST:** The indicative allocation for the ITPs, Industry Skills Boards (ITPs) and private training establishments (PTEs) who were previously a part of NZIST, and are now standalone, will show as individual indicative allocations for each organisation.

Approach for mergers

- › **PTEs:** All PTE mergers will have associated delivery and 2027 indicative allocations transferred to the remaining (or final) provider EDUMIS for 2027. Mergers must be confirmed by the New Zealand Qualifications Authority (NZQA), and communicated to the Tertiary Education Commission (TEC), prior to Friday 15 May 2026.

Further manual adjustments, including performance adjustment

Reduction for poor delivery and performance

In addition to the base methodology, we have made manual adjustments to allocations based on historic under-delivery, Repayment Plans, and Educational Performance Indicators (EPIs).

These adjustments allow us to make reductions further than your base 2027 indicative allocation in DQ3-7 funding. If you are subject to any manual adjustment, you may have met one or more of the following:

- You have a history of failing to return unused funding, have requested a Repayment Plan to repay your 2024 and/or 2025 debt, or are considered “high” financial risk by the TEC.
- You have a history of low EPIs (eg, course completions or qualification completions), as identified through your latest performance information or as signalled through the previous 2026 investment round.
- You have historically under-delivered against your allocation, or you are forecast to under-deliver in 2026, and the base output of your 2027 indicative allocation is not aligned to delivery expectation levels.

Note: If you delivered in DQ3-7 for the first time in 2025 or 2026, we have not undertaken a performance adjustment of your 2027 indicative allocation for these funds.

If you have received a 2027 indicative allocation of \$0 for DQ3-7, you may be able to submit an Additional Funding Request for the 2027 investment round. Please contact customerservice@tec.govt.nz or your Relationship Advisor/Manager for more information.

Determining final allocations and adjustments based on forecasts

- › **Delivery monitoring:** The TEC actively monitors delivery volumes throughout the year, including forecasts based on Single Data Return (SDR) data, Industry Training Register (ITR) data, data submitted on DXP Ngā Kete, and prior delivery trends.
- › **Forecast based adjustments:** The TEC may adjust individual allocations on an exceptional basis where forecasts significantly differ from methodology outputs and prior delivery.

To determine your **final** 2027 allocation and Plan approval (where you are Plan-required), we will consider the following information in our assessment and/or engagements with you:

- › your Investment Plan and related documents (as relevant)
- › your Learner Success Plans and Disability Action Plans (as relevant)
- › your Education Performance Indicator data (refer Investment briefs), and
- › your year-to-date 2026 delivery as recorded in your August 2026 SDR.

Additional Funding for DQ3-7 will be targeted by the TEC and will not be available to be applied for. Additional funding is not guaranteed and is subject to availability of funding.

Criteria for additional funding

Our initial criteria for identifying TEOs was the following:

- › Identify Providers who have an External Evaluation and Review (EER) rating of 1 or 2 and are forecast by the TEC to deliver above their allocation and flexible funding (2% or 10 EFTS).
- › Identify whether the TEO delivers priority provision as per [Plan Guidance documentation](#) and analyse enrolment data to identify where growth in delivery has occurred (additional funding is targeted towards growth in areas of priority provision).
- › Identify other relevant factors, such as whether the TEO's Learner Success Plan (if applicable) is satisfactory and if the TEO has strong Education Performance Indicators (EPIs).

Subject

There will be six subject-rate groupings that apply to both provider-based and work-based learning and recognise the different cost structures that come with different types of delivery:

- › F1: Humanities, business and social service vocations
- › F2: Trades, creative arts, information technology and health-related professions
- › F3: Agriculture, engineering, health sciences and science
- › F4: Pilot training and priority engineering
- › F5: Foreign-going nautical and specialist agriculture
- › F6: Mātauranga Māori, te reo Māori and tikanga Māori.

Funding rates for all categories and modes are available on the TEC website at [Funding and Payments](#).

Mode of delivery

There are four modes of delivery that reflect where and how a learner is receiving learning. A programme can be made up of one or more modes. This is to allow learners and employers to access learning opportunities in the way that is best for them and to move seamlessly between ways of learning. The four modes are:

- › **Provider-based** – Learner is enrolled with provider with delivery at a provider site.
- › **Provider-based: extramural** – Learner is enrolled with provider with learning occurring away from a provider site (and not in the workplace).
- › **Work-based** – Learner is an employee, contractor, or volunteer, is enrolled with a provider, and acquires skills in their workplace. Learning is typically work-based with supported self-directed learning.
- › **Assessment and verification** – Learner is already employed, with skills acquisition and training occurring in their workplace. Learner undertakes in-house learning to complete training towards a Level 3–7 (non-degree) credential that is delivered by their employer.

Note: Between 2023 and 2025 there was a fifth delivery mode, pathway-to-work. This mode ceased to exist at the end of 2025.

Variation for aviation (DQ3-7 (non-degree)) provision

The total cap on all aviation provision is 450 EFTS across the sector (both Level 3 to 7 (non-degree) and Level 7 (degree) and above).

Massey University receives an annual aviation allocation of 126 EFTS for delivery at Level 7 (degree) and above. The remaining 324 EFTS are delivered at Levels 3 to 7 (non-degree) within the DQ3-7 Fund.

Your 2027 indicative allocation for aviation provision has been calculated using the same base DQ3-7 indicative allocation methodology. Please note that some one-off amendments approved for 2026 allocations have been excluded from 2027 indicative allocations.

Providers receiving a DQ3-7 aviation allocation	
EDUMIS	Tertiary Education Organisation
7143	Auckland International Pilot Academy Limited
7256	Southern Wings Limited
7413	Waikato Aero Club Incorporated
7826	Wanaka Helicopters Limited
8026	Air Hawkes Bay Limited
8031	Christchurch Helicopters 2001 Limited
8589	International Aviation Academy of NZ Ltd
8595	Nelson Aviation College Limited
8638	Ardmore Flying School Limited

Vocational Education and Training Learner Component

The purpose of the learner component is to support TEOs to put learners at the centre of their organisation and to improve outcomes for learners by:

- › supporting all learners, particularly those learners who have traditionally been underserved by the education system, and
- › recognising that there are higher costs involved in adapting education delivery and support to meet learners' unique needs.

The priority learner groups are learners with low prior achievement (LPA), and disabled learners. These priority groups serve as a proxy for learners who need additional support to be successful in vocational education and training (VET). Learner component funding is not intended to only be used for learners in these two groups. Instead, TEOs are expected to identify the unique needs of all their learners, make decisions about how to support them, and allocate this funding accordingly.

How we calculate your indicative allocation

Learner component funding will be calculated based on the **enrolments of the two priority groups of learners**. It will apply to learners in all modes of delivery (of the DQ3-7) apart from assessment and verification.

Your 2025 actual delivery EFTS (equivalent full-time students) is used to determine the number of learners in each learner component group. The number of EFTS will be multiplied by associated priority learner group rate for each eligible group to calculate your 2027 indicative allocation.

Starting point

- › **Eligibility:** To be eligible to receive learner component a TEO must receive DQ3-7 funding.
- › **NZIST:** The indicative allocation for the ITPs currently **within** NZIST (6683) will show for NZIST as a single organisation.
- › **Organisations outside of NZIST:** The indicative allocation for the ITPs, ISBs and PTEs, who were previously a part of NZIST and are now standalone, will show as individual indicative allocations for each organisation.

Note: Learners under the Assessment and Verification mode of delivery are not eligible for Learner component.

Learner component priority group learners

We will use your 2025 eligible SDR enrolment data and Industry Training Register (ITR) enrolment data to determine the number of EFTS that are consumed by priority group learners (LPA and disabled), by level of the qualification.

The indicative allocation funding calculation for priority group learners will depend on:

- › the NZQCF qualification levels the learner is enrolled in in 2025
- › the volume of vocational education EFTS delivered in 2025, and
- › that the mode of delivery is not assessment and verification mode.

Single top-ups

- › A single top-up is payable in relation to learner records identifying as both LPA and disabled.

Approach for TEOs for which there is no 2025 data available for these calculations

- › For funded providers who deliver for the first time in 2026, we will use the 2026 April SDR/ITR submission to calculate the 2027 learner component, then calculate the final allocation following the 2026 December SDR/ITR submission.
- › For funded providers that deliver for the first time in 2026 and for funded providers that delivered for the first time in 2025 and had zero delivery, we will use the 2026 April SDR/ITR submission to calculate the 2027 learner component.
- › If there is no SDR and/or ITR submitted, a provider will not receive a learner component allocation.

Degree and Research Funds

Degree and Research Funds

Funds included in this section:

- › Delivery at Levels 7 (degree) and above on the NZQCF Fund (DQ7+)
- › Equity Fund

DQ7+ Fund

Funding from the DQ7+ Fund contributes towards the provision of teaching and learning services for enrolled learners at tertiary education organisations (TEOs).

To calculate the basis of your 2027 indicative allocation for the DQ7+ Fund:

The DQ7+ funding indicative allocation will be calculated using your prior delivery and prior allocation information.

We have rolled over your 2026 current amended allocation, unless your 2025 delivery was less than 80% (rounded up to the nearest whole percent) of your 2025 current amended allocation. If that is the case, then your indicative allocation is the lesser of your value of delivery from 2025 (uplifted to 2026 rates) or 2026 current amended allocation.

Calculation, measurement, and adjustments

- › **First time and \$0 delivery:** How we used your 2026 current amended allocation and 2025 delivery:
 - › If you delivered for the first time in 2025 or 2026, your 2027 indicative allocation is rolled over from your 2026 allocation, no matter your delivery levels.
 - › If you delivered \$0 in 2025 (and were not delivering for the first time in 2025 or 2026), your 2027 indicative allocation is \$0.
- › **Use of dollars (\$):** All indicative calculations use prior allocations and actual delivery measured in dollars (\$) with all indicative calculation outputs in dollars (\$).
- › **Delivery offsets:** All delivery figures are net of offsets (inclusive of the dentistry provision cap, certificate of university preparation cap, early withdrawal of enrolment offsets,¹ and other provision caps).
- › **Secondary Initial Teacher Education (ITE):** If you historically received Secondary ITE funding, your Secondary ITE funding and delivery will be included in the underlying calculations for your base DQ7+ indicative allocation.

Rates and uplifts

- › **Prior year data uplift:** All prior-year data is adjusted to 2026 rates when calculating indicative allocations. For example, if your allocation is based on 2025 delivery, those figures are uplifted to reflect 2026 rates.
- › **Rate uplift:** No rate increase has been applied to your 2027 indicative allocation, except for the uplift to the Mātauranga Māori increase (on rates W1-4) as applied from 2024.

¹ Where students had not completed 10% or one month of the course, whichever was the earlier.

Funding rates for all categories and levels are available on the TEC website at [Funding and Payments](#).

In-year amendments

- › **Prior to cut-off date:** Any 2026 in-year amendments (including increases and decreases) approved prior to Friday 15 May 2026 have been included in the calculation to inform your 2027 allocation.
- › **After cut-off date:** For any 2026 in-year amendments approved after Friday 15 May 2026, we will advise whether the funding has been added to your 2027 indicative allocation.

Approach for TEOs who were previously or are currently a division of NZIST

- › **Methodology:** The final indicative allocation for the TEOs who were previously or currently a part of the New Zealand Institute of Skills and Technology (NZIST) will be based on the base methodology plus adjustments. These adjustments will be informed by prior engagement and collaboration work to validate 2026 allocations, current commitments, and current delivery and forecast levels. Where appropriate, we have applied a **2026 rollover** allocation for TEOs who were previously or currently a part of NZIST.
- › **NZIST:** The indicative allocation for the institutes of technology and polytechnics (ITPs) currently **within** the NZIST (6683) will show for NZIST as a single organisation.
- › **Organisations outside of NZIST:** The indicative allocation for the ITPs, Industry Skills Boards (ISBs) and private training establishments (PTEs) who were previously a part of NZIST, and who are now standalone, will show as individual indicative allocations for each organisation.

Approach for mergers

- › **PTEs:** All PTE mergers will have associated delivery and 2027 indicative allocations transferred to the remaining (or final) provider EDUMIS for 2027. Mergers must be confirmed by the New Zealand Qualifications Authority (NZQA) and communicated to the Tertiary Education Commission (TEC), prior to Friday 15 May 2026.

Determining final allocations and adjustments based on forecasts

- › **Delivery monitoring:** The TEC actively monitors delivery volumes throughout the year, including forecasts based on Single Data Return (SDR) data, Industry Training Register (ITR) data, data submitted on DXP Ngā Kete, and prior delivery trends.
- › **Forecast based adjustments:** The TEC may adjust individual allocations on an exceptional basis where forecasts significantly differ from methodology outputs and prior delivery.

To determine your final 2027 allocation and Plan approval (where you are Plan-required), we will consider the following information in our assessment and/or engagements with you:

- › your Investment Plan and related documents (as relevant)
- › your Learner Success Plans and Disability Action Plans (as relevant)
- › your Education Performance Indicator data (refer Investment briefs), and
- › your year-to-date 2026 delivery as recorded in your August 2026 SDR.

Additional Funding for DQ7+ will be targeted by the TEC and will not be available to be applied for. Additional funding is not guaranteed and is subject to availability of funding.

Criteria for additional funding

Our initial criteria for identifying TEOs was the following:

- › Identify Providers who have an EER rating of 1 or 2 and are forecast by the TEC to deliver above their allocation and flexible funding (2% or 10 EFTS).
- › Identify whether the TEO delivers priority provision as per [Plan Guidance documentation](#) and analyse enrolment data to identify where growth in delivery has occurred (additional funding is targeted towards growth in areas of priority provision).
- › Identify other relevant factors, such as whether the TEO's Learner Success Plan (if applicable) is satisfactory and if the TEO has strong Education Performance Indicators (EPIs).

Further manual adjustments, including performance adjustments

Reduction for poor delivery and performance

In addition to the base methodology, we have made manual adjustments to allocations based on historic under-delivery, Repayment Plans, and EPIs.

These adjustments allow us to make reductions further than your base 2027 indicative allocation in DQ7+ funding. If you are subject to any manual adjustment, you may have met one or more of the following:

- You have a history of failing to return unused funding, have requested a Repayment Plan to repay your 2024 and/or 2025 debt, or are considered "high" financial risk by the TEC.
- You have a history of low EPIs (eg, course completions or qualification completions), as identified through your latest performance information or as signalled through the previous 2026 investment round.
- You have historically under-delivered against your allocation, or you are forecast to under-deliver in 2026, and the base output of your 2027 indicative allocation is not aligned to delivery expectation levels.

Note: If you delivered in DQ7+ for the first time in 2025 or 2026, we have not undertaken a performance adjustment of your 2026 indicative allocation for these funds.

If you have received a 2027 indicative allocation of \$0 for DQ7+, you may be able to submit an Additional Funding Request in the 2027 investment round. Please contact customerservice@tec.govt.nz or your Relationship Advisor/Manager for more information.

Aviation funded as a subset of the broader DQ7+ allocation

The total cap on the aviation provision is 450 EFTS across the sector (both DQ3-7 and DQ7+). Massey University (7003) receives an annual aviation allocation of 126 EFTS. This comprises:

- › 93 EFTS funded at **M2 funding rate** (pilot training)
- › 33 EFTS funded at **A2/J2 funding rate** (non-pilot training).

126 EFTS will be used to calculate Massey University's 2027 indicative allocation of capped aviation EFTS within the DQ7+ fund.

This allocation will be a subset (ie, inclusive) of the DQ7+ Fund allocation.

Note: The remaining aviation EFTS can be found in the Delivery component section of this document.

Secondary Initial Teacher Education (ITE)

Secondary ITE is funded from the DQ7+ funding initiative and aims to help ensure New Zealand has a high-quality, diverse, and sustainable teaching workforce that makes a positive difference for all our tamariki and rangatahi and achieves positive career outcomes for graduates.

Secondary ITE funding is no longer allocated separately from the base DQ7+ funding, therefore no Secondary ITE specific indicative allocation will be provided. Funding to be used for Secondary ITE will be included in the base calculation of your DQ7+ indicative allocation.

Your prior Secondary ITE funding and delivery will be **included** in the underlying calculations and output of your base DQ7+ indicative allocation.

Equity Fund

The purpose of Equity Fund Funding for Māori and Pacific learners is to improve participation in, and achievement at, the lower and higher levels of the tertiary education system (DQ1-2 and DQ7+). Equity funding is a “top-up” to DQ1-2 and DQ7+ funding – to help cover the costs of providing extra support for these learners. It is not intended to be the sole or primary source of funding; it should supplement other investments to ensure the success of all learners.

There are two elements of Equity funding: Māori and Pacific; and tertiary students with disabilities.

How we calculate your indicative allocation

The 2027 indicative allocation for Equity Funding is based on your 2025 delivery.

Your actual 2025 delivery is used to calculate your 2027 indicative allocation.

- › For the **tertiary students with disabilities** component:
 - › Total 2025 actual EFTS in provision at Levels 1 and 2, and at Level 7 degree and above.
 - › TEIs (universities, wānanga and polytechnics) are eligible for this funding.
- › For the **Māori and Pacific** component:
 - › All 2025 Māori and Pacific EFTS NZQCF Level 7 degree and above.
 - › All TEOs are eligible for this funding.

TEOs do not need to provide any additional information to TEC to receive Equity funding. TEOs should complete and submit their SDRs or ITR as usual.

We do expect TEOs to: actively consider how they will use this funding to support their learners; include these plans in their normal Investment Plan round documentation, including Learner Success Plans and Disability Action Plans; and be prepared to discuss their approach with their Relationship Manager or a Relationship Advisor.

Please note: if you receive a proposed zero allocation for your DQ7+ funding then we will automatically ring-fence your Equity funding until the final 2027 allocations are approved. You will not be eligible to receive Equity funding if you receive a final zero allocation for the DQ7+ funding.

Other funds

Other Funds

Ngā Whare Wānanga Allocated Fund

The Ngā Whare Wānanga Allocated Fund supports wānanga to deliver the initiatives and activities related to their unique purpose and function in the tertiary education system, as reflected in the characteristics of wānanga in the Act. It supplements the volume-based funding of wānanga in recognition that they have funding pressures that are different from the rest of the tertiary system.

The available funding is distributed equally between the eligible organisations.

To calculate your 2027 indicative allocation for the Ngā Whare Wānanga Allocated Fund:

We have rolled over your 2026 current amended allocation.

Transitional Support for Strategically Important Provision (SIP) Fund

The TEC allocated \$10 million in SIP funding in 2026 and will allocate up to \$10 million again in 2027. This funding is to support polytechnics to maintain strategically important provision during the transition.

Polytechnics are required to continue to deliver strategically important provision for which the funding has been provided. SIP funding must be used to support qualification delivery, specifically teaching, training and learning services, while maintaining the delivery of foundation education and strategically important vocational education.

To calculate your 2027 indicative allocation for the SIP Fund:

We have rolled over your 2026 current amended allocation.

Rates and uplifts

- › **Rate uplift:** No rate or funding increase has been applied to the SIP Fund.

In-year amendments

- › **Prior to cut-off date:** Any 2026 in-year amendments (including increases and decreases) approved prior to Friday 15 May 2026 have been included in the calculation to inform your 2027 allocation.
- › **After cut-off date:** For any 2026 in-year amendments approved after Friday 15 May 2026, we will advise whether the funding has been added to your 2027 indicative allocation.

Other funds that do not receive an
indicative allocation for 2027

Other funds that do not receive an indicative allocation for 2027

Māori and Pasifika Trades Training (MPTT)

The purpose of MPTT funding is to increase access for Māori and Pasifika learners to vocational and pre-employment training. This enables the learners to develop skills for sustainable employment and achieve better employment outcomes. MPTT funding is paid to organisations that are part of an approved consortium.

How we will calculate your allocation

Note: No indicative allocations will be made for MPTT funding. MPTT funding for 2027 will be confirmed when the plan assessment process is completed (for MPTT Fees Top-Up and MPTT Brokerage Monthly) and on actual 2026 delivery (for MPTT Brokerage Success and MPTT Consortium).

MPTT Fees Top-Up

The TEC (Tertiary Education Commission) will assess your consortium plans. We will allocate the Fees Top-Up rate per Equivalent Full-Time Student (EFTS) per consortium based on the plan assessments. The allocation of EFTS will be based on a mixture of quantitative and qualitative criteria through the assessment of your plans and success targets.

Your MPTT Fees Top-Up final allocation will be based on the outcome of your consortium plan assessment.

MPTT Brokerage Monthly

The TEC will assess your consortium plans. We will allocate the Brokerage Monthly rate per learner per consortium based on the plan assessments. The MPTT Brokerage Monthly funding is paid in monthly instalments based on the number of learners allocated by the consortium to a tertiary education organisation (TEO).

Your MPTT Brokerage Monthly final allocation will be based on the outcome of your consortium plan assessment.

The Brokerage Success and Brokerage Monthly rates are subject to change in 2027 and will impact the final funding amounts paid for MPTT Brokerage in 2027.

MPTT Brokerage Success

The MPTT Brokerage funding is a success component that is paid where learners successfully go into pre-trade training, employment or further education.

Your MPTT Brokerage Success final allocation will be based on your actual delivery.

The Brokerage Success and Brokerage Monthly rates applied for 2026 learner components and delivery are subject to change in 2027 and will impact the final funding amounts paid for MPTT Brokerage in 2027.

MPTT Consortium

Your MPTT Consortium final allocation will be based on your Consortium plan.

Your prior delivery will be considered for the allocation of MPTT Consortium funding. Final allocations will then be amended based on the plan assessments.

Medical Trainee Intern Grant

The purpose of the Medical Trainee Intern Grant is to provide a stipend for medical students working as interns in their sixth year of study.

The Medical Trainee Intern Grant provides a stipend of \$26,756 (GST exempt) per eligible EFTS for medical students working as interns in their sixth year of study. The TEC allocates the Medical Trainee Intern Grant in response to annual applications from eligible tertiary education institutions. The University of Auckland and the University of Otago are eligible to receive the funding.

When will the allocation be determined?

Medical Trainee Intern Grant funding for 2027 will be confirmed in August 2026 when the estimated eligible EFTS for 2027 are shared with the TEC.

How we will calculate your allocation

Your determined EFTS of eligible students is multiplied by the 2027 Medical Trainee Intern Grant rate.

TEOs will submit to the TEC their estimated number of eligible graduate-entry (lump sum payment) and non-graduate entry (monthly payment) Medical Trainee Intern Grant students for 2027 in 2026. The total eligible graduate-entry and non-graduate entry students determines the total number of students funded for 2027. This will inform the final Medical Trainee Intern Grant allocation for 2027.

Funding is calculated by the determined EFTS of eligible students x \$26,756.

The cohort of EFTS from University of Otago runs from December 2026 to November 2027. One-twelfth of the University of Otago 2027 EFTS are paid in December 2026 and the remainder of the EFTS are paid out from January to November 2027.

The TEC pays the Medical Trainee Intern Grants to the universities, which then pass the funding directly to eligible sixth-year medical interns either as a lump sum to graduate-entry students or as twelve equal monthly payments to non-graduate entry students.

Where the number of EFTS is overestimated, the TEC will recover the overestimated value in 2027, and where the number of EFTS is underestimated, the TEC will pay the underestimated value in 2027.

Performance-Based Research Fund (PBRF)

The purpose of the PBRF is to ensure that excellent research in the tertiary education sector is encouraged and rewarded. This means assessing the research performance of TEOs and then funding them on the basis of their performance.

How we will calculate your allocation

Your prior performance information was used to calculate your 2027 indicative allocation.

Starting point

The PBRF is a mixed performance-assessment regime that employs both peer review processes and performance measures.

We calculate PBRF allocations based on the performance of eligible TEOs in:

- › a periodic **Quality Evaluation**
- › the number of eligible **Research Degree Completions**
- › the value of **External Research Income**.

Quality Evaluation

This is based on the 2018 PBRF assessment of the research performance of eligible TEO staff, undertaken by expert peer review panels. The 2018 PBRF quality evaluation will continue to be applied until a new approach is agreed.

This component makes up 55% of the fund.

The funding allocation is based on the award of funded Quality Categories and subject area weighting of Evidence Portfolios submitted by TEOs. It is calculated relative to:

- › the funded Quality Category assigned to Evidence Portfolios (EPs) – eg, A, B, C or C (NE)
- › the full-time equivalency status of the participating TEO's PBRF-eligible staff member as recorded in the PBRF Staff Data File, and
- › the weighting for the subject area to which EPs have been assigned.

Formula for Quality Evaluation funding

$\Sigma \text{ TEO [(numerical Quality Category weighting) } \times \text{ (FTE status of staff member) } \times \text{ (funding weighting for relevant subject area)]}$

÷

$\Sigma \text{ all TEOs [(numerical Quality Category weighting) } \times \text{ (FTE status of staff member) } \times \text{ (funding weighting for relevant subject area)]}$

×

Total amount of funding available for the Quality Evaluation component of the PBRF.

Research Degree Completions (RDCs)

This is a measurement of the annual number of PBRF-eligible postgraduate research-based degrees completed at participating TEOs. This component makes up 25% of the fund.

The funding allocation is based on a three-year rolling average of a TEO's research-based postgraduate degree completions, weighted by research volume, relative costs of the subject areas, and weightings for ethnicity and completions in te reo Māori.

Formula for RDC funding

$\Sigma \text{ RDC} = [(\text{research component weighting}) \times (\text{cost weighting for relevant subject area}) \times (\text{equity weighting})]$

The funding formula for the 2027 RDC component is:

$\Sigma [(\text{RDC for TEO2023} \times 0.15) + (\text{RDC for TEO2024} \times 0.35) + (\text{RDC for TEO2025} \times 0.5)]$

÷

$\Sigma [(\text{Total RDC for TEO2023} \times 0.15) + (\text{Total RDC for TEO2024} \times 0.35) + (\text{RDC for TEO2025} \times 0.5)]$

X

Total amount of funding available for the RDC component of the PBRF.

External Research Income (ERI)

This is the annual amount of income participating TEOs receive for research from external sources. This component makes up 20% of the fund.

The funding allocation is based on a three-year rolling average of a TEO's proportion of total ERI earned and weighted by funding source/category.

The funding formula for the 2027 ERI component is:

$\Sigma [\text{ERI for TEO2023} \times 0.15) + (\text{ERI for TEO2024} \times 0.35) + (\text{ERI for TEO2025} \times 0.5)]$

÷

$\Sigma [\text{Total ERI for TEO2023} \times 0.15) + (\text{Total ERI for TEO2024} \times 0.35) + (\text{ERI for TEO2025} \times 0.5)]$

X

Total amount of funding available for the ERI component of the PBRF.

Approach for TEOs who were previously or currently a part of NZIST

The allocation for the ITPs currently **within** the New Zealand Institute of Technology (NZIST) (6683) will show for NZIST as a single organisation. The allocation percentage is based on the consolidation on the relevant year data for each of the three funding components for the institutes of technology and polytechnics (ITPs) within NZIST.

The allocation for the ITPs who were previously a part of NZIST, and are now standalone, will show as individual indicative allocations for each organisation.

Later transfer of delivery

An indicative funding allocation may be made to a TEO that later transfers delivery to a transitional or other TEO. In that case, we will engage with the new TEO to transfer and adjust the allocation.

We will adjust the indicative allocation of the provider receiving the largest portion of Research Degree Completion Funding if the 2027 final rounded calculations create an over-allocation against the 2027 funding of the PBRF. A small difference will be accepted where funding is under-allocated due to rounded calculations.