



Office of Hon Steven Joyce

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Minister of Science and Innovation
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19 AUG 2013
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Seen by CE Yes/No
Referred to.....
Action.....

Dear John

Determination of Design of Funding Mechanism: Centres of Research Excellence

I am writing to advise you of the new funding determination that I have made under section 159L of the Education Act 1989 for the Centres of Research Excellence (CoREs).

The new determination is set out in the appendix to this letter. The determination covers the 2013/14 selection round for CoREs and the funding of CoRE activities delivered between 1 January 2015 and 31 December 2020.

The new funding mechanism reflects recent decisions by Cabinet on the policy for the CoREs Fund. Cabinet has agreed to a mission statement and an improved performance framework for CoREs. The mission statement is an appendix to the determination and is reflected in the new assessment criteria for CoREs, set out in the determination.

A performance framework is currently under development by the Ministry of Education and the Tertiary Education Commission (TEC). I will approve the performance framework before the TEC finalises contracts for successful CoREs in the 2013/14 selection round, so that contracts can reflect the agreed performance framework.

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 designs 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 these determinations.

Yours sincerely

Steven Joyce
Minister for Tertiary Education, Skills and Employment

Determination of Design of Funding Mechanism

Centres of Research Excellence

Preliminary provisions

Statutory authority

1. This funding mechanism is made under section 159L of the Education Act 1989 (the Act).

Purpose

2. As set out in the attached appendix, the purpose of a Centre of Research Excellence (CoREs) is to:
 - (a) undertake excellent research; and
 - (b) support the development of world class researchers in areas of importance to New Zealand's future development.
3. A CoRE demonstrates academic strength as well as progress towards impacts with public good and/or economic benefits.

Timeframe

4. This funding mechanism is to fund activities delivered from 1 January 2015 to 31 December 2020.
5. The Tertiary Education Commission (TEC) may exercise any of its administrative functions as required to give effect to this funding mechanism outside those dates.

Available funding

6. The total amount of Government funding that may be allocated under this funding mechanism will be set through the Government's annual Budget processes.

Off plan funding

7. The TEC must pay the funding under section 159ZC of the Act (funding other than via a plan).

Eligibility and selection of CoREs

Eligibility

8. The Tertiary Education Commission must only fund a tertiary education institution (TEI), as defined under section 162 of the Act, to host a CoRE.

Selection

9. The TEC must select each CoRE to receive funding through a competitive process determined by the TEC.
10. A TEI may submit an application for selection on behalf of a proposed CoRE. The TEI that submits the application will be the host of that CoRE.
11. To determine whether a CoRE will receive funding, the TEC must apply the following assessment criteria: The assessment criteria must be read in conjunction with the mission statement in the attached appendix.
 - (a) Excellence: excellent research, including:
 - (i) academic strength of the proposed research team;
 - (ii) proposed research programme;
 - (iii) commitment to ensuring research is leading edge and solution focused;
 - (iv) collaborative depth of the proposed partnership and the degree to which this strengthens the proposal; and
 - (v) proposed national and international influence of the CoRE.
 - (b) Contribution within the tertiary education system, including:
 - (i) contribution to the priorities of the Tertiary Education strategy;
 - (ii) contribution to graduate, and post graduate and new researcher education;
 - (iii) expected impact on the development of New Zealand's future workforce; and
 - (iv) contribution to the development of a culture of innovation and wealth creation in New Zealand.
 - (c) Contribution to New Zealand's future development, including:
 - (i) potential for the research to have public good and/or economic impact in New Zealand;
 - (ii) commitment to engagement and exchange with potential stakeholders/end-users; and
 - (iii) strength of intention to drive the connections that lead to research translation.
 - (d) Governance and management, including:
 - (i) strength of planned governance and management;
 - (ii) clarity and benefits of proposed host and partner contributions; and
 - (iii) commitment of parties to proposed collaborative practices.

12. The TEC must give the excellence criterion first priority. An application must be considered against this criterion and only go forward in the assessment process if the TEC assesses it as meeting the excellence criterion in paragraph 11(a).

Funding

Period of funding

13. The TEC may fund a selected CoRE for a period up to six years.

Use of funding

14. A TEI host may reallocate CoRE funding to ~~to~~ collaborative partners for the purpose of carrying out the CoRE's strategic research programme, and other activities that support its strategy.

Conditions on funding

Conditions that must be attached to funding

15. The TEC must attach the following conditions to funding under section 159ZD of the Act:
 - (a) The host TEI and the CoRE must ensure that at least 50% of the CoRE's annual funding is used by, or allocated to tertiary education organisations. The TEC may vary this condition to allow for less than 50% of a CoRE's annual funding to be used by, or allocated to tertiary education organisations if the TEC is satisfied that it is necessary or appropriate to do so to give effect to the CoRE's research objectives.
 - (b) The host TEI and the CoRE must meet the performance and achievements specified in the agreement between the TEC and the host TEI, and in the attached appendix.
 - (c) The TEI host must only reallocate CoRE funding to collaborative partners for the purpose of carrying out the CoRE's strategic research programme, and other activities that support its strategy.
 - (d) The host TEI and the CoRE must comply with any review undertaken by the TEC in respect of the performance of the CoRE. The review may be directed at any aspect or aspects of the CoRE's performance.

Conditions that may be attached to funding

16. The TEC may impose any other condition on funding that it considers necessary to ensure that a CoRE is adequately accountable to the TEC for the use of funding for the purposes set out in this determination, or otherwise to give effect to this determination.

Appendix

Mission Statement for Centres of Research Excellence

Government's investment intention

It is the intention of the Government that investing in Centres of Research Excellence (CoREs) will support growth in research excellence and the development of world class researchers in areas of existing excellence that are important to New Zealand's future development.

Mission statement for CoREs

This mission statement sets out high level expectations of CoREs in terms of role, performance and achievements, as well as shared responsibilities of host and partners.

The mission statement will form the basis of selection criteria and ongoing performance monitoring of the CoREs.

Research carried out by CoREs

CoRE research must be leading edge research of world-class quality in an area of importance to New Zealand. CoRE research demonstrates academic strength as well as planned and effective progress towards defined impacts with public good and/or economic benefits.

- CoRE research may be basic and/or applied. It is always pioneering, commonly multi-dimensional and/or multi-disciplinary, and likely to involve collaborative and inter-institutional participation and exchange.
- A CoRE will define its area of strategic impact, the need for this focus and the potential benefit for New Zealand. It will regularly revisit and refresh research planning to ensure its research is innovative and solution-focused.
- A CoRE is innovative and responds quickly to opportunity. It allocates funding for excellent research that has next-stage potential impact and is aligned with its strategic direction.
- It is anticipated that, over time, the research and personnel profile of a CoRE will evolve within its area of strategic impact, reflecting the innovative and cutting edge nature of a CoRE's research activities.
- CoRE expertise can be directed to government science priorities, as appropriate.

CoRE collaboration and collaborative practices within CoREs

The CoRE model is a collaborative research partnership hosted by a TEI. It has appropriate governance and processes to ensure all partners contribute to delivery of agreed strategic outcomes.

- The host and partners share responsibility for the development and regular review of institutional partner agreements.
- Agreements recognise a combined responsibility for resourcing the CoRE as well as ensuring that research is of excellent quality and adds strategic benefit.
- Agreements set out host university and partner contributions, which include financial and/or in-kind contributions.
- The CoRE host and partners together agree and implement collaborative policies and practices.

Engagement by CoREs with end-users and stakeholders

CoREs are characterised by active and outward-facing engagement with next-stage and potential end-users to ensure the CoRE delivers the strategic benefits it seeks for New Zealand.

- A CoRE will invite potential end-users to contribute to planning of current and future research options, including consideration of potential for impact.
- A CoRE engages in research translation to support and encourage research uptake
- CoRE outreach can take many forms and have many audiences. A CoRE will identify its outreach partners and explore with them the best ways to engage.
- A CoRE develops an engagement plan to bring focus to its dialogue with stakeholders, and its knowledge exchange activities and connections.

CoREs as an element in the tertiary education system

A CoRE builds research capability in areas of existing excellence. It translates new knowledge into teaching and the training of future researchers and offers specific and novel opportunities for graduate students, emerging and established investigators across its partner institutions.

- A CoRE plans its contribution to the teaching and learning environment of its partner institutions. It is able to demonstrate its educational outcomes and its contribution to employment outcomes for graduates.
- A CoRE ensures key investigators have the opportunity to influence the experience of graduate students and post doctoral fellows working with the CoRE.

The role of the CoRE at a national and international level

A CoRE demonstrates authority in its research area, both in New Zealand and overseas.

- A CoRE builds wide networks within national and international research communities and uses this connectivity to strengthen its research, people, engagement and influence.

- A CoRE deploys its leadership to facilitate wide stakeholder debate on issues of significance.
- A CoRE operates as a showcase for New Zealand.