

APPENDIX 1

The Centres of Research Excellence Fund

The Centres of Research Excellence Fund is designed to provide incentives for tertiary education research to be undertaken that is strategically focussed and excellent, and for significant knowledge transfer activities to occur. This combination (strategic focus, excellence, and knowledge transfer) is also intended to provide incentives for new opportunities for tertiary education research.

Funding Mechanism — Policy Parameters

Purpose

- 1 The Centres of Research Excellence Fund aims to support research that:
 - 1.1 is of excellent (world class) quality;
 - 1.2 is focussed on New Zealand's future development; and
 - 1.3 leads to knowledge transfer.
- 2 It is also intended to provide an incentive for researchers in the tertiary education sector to concentrate resources and collaborate to produce world class research.
- 3 Centres of Research Excellence are to be primarily (but not exclusively) inter-institutional networks with researchers working collaboratively on a common agreed research plan.

Eligibility

- 4 Applications to the Centres of Research Excellence Fund must be led by a New Zealand tertiary education institution which, if funded, will act as a "host" for the network making up the Centre of Research Excellence and will take responsibility for the management and coordination of the research plan, and general support for knowledge transfer and network activities.

Assessment criteria

- 5 The criteria to be used for assessing proposals for the Centres of Research Excellence Fund are outlined in Appendix 2.
- 6 Government strategy documents will provide a context for the assessment of relevance to New Zealand's future development. These currently include the Tertiary Education Strategy, the Statement of Tertiary Education Priorities, and the themes that constitute government priorities: economic transformation, families – young and old, and national identity.
- 7 The inter-institutional focus of the Centres of Research Excellence Fund will encourage geographic and institutional spread; however, this is not a requirement for Centres of Research Excellence. In addition, Centres of Research Excellence are not required to be inter-disciplinary.

- 8 Maori research centres are to compete for access to the Centres of Research Excellence Fund on the same criteria as all other research groups.

Assessment process

- 9 Project assessments and funding decisions for the Centres of Research Excellence Fund will occur in application rounds (i.e. concurrently) to ensure that the value of each application can be assessed in relation to alternative applications.
- 10 However, in recognition of the investment made in existing Centres of Research Excellence, the assessment process will take into consideration the costs of disinvestment when assessing applications. This will include consideration of the Centres of Research Excellence's successes to date, and the research capabilities and networks they have developed. When the Commission decides not to continue investment in an existing Centre of Research Excellence, the affected Centre will be funded for a further three years beyond its existing contract, with the funding reducing by 25 percent in each of the three years.
- 11 The assessment process will be cognisant of Maori research perspectives and values and applicants will be asked to indicate, where relevant, how their research proposals will impact on Maori.
- 12 A committee will be appointed to make recommendations to the Commission on Centres of Research Excellence funding. The composition of the committee will encompass a balance of attributes and perspectives related to the three key objectives referred to in paragraph 1, and a capacity to make optimal judgements across all criteria.

Funding available

- 13 Funding for Centres of Research Excellence is allocated by the Tertiary Education Commission under subsection 159F(1)(a)(iii) of the Education Act 1989.
- 14 The amount of funding available for the Centres of Research Excellence Fund is specified in the annual Estimates of Appropriations.

Use of Centres of Research Excellence funding

- 15 The Centres of Research Excellence, once approved, will be funded for a minimum of 6 years, subject to review by the Tertiary Education Commission at the mid-point.
- 16 Funds allocated to Centres of Research Excellence will, to some extent, be reallocated by the host tertiary education institution to members of the research network. However, most of the funding is to remain in the tertiary education sector to support basic research and the development of human capital.
- 17 The focus of Centres of Research Excellence funding is on basic research and the development of human capital, but also allows for some flexibility to encourage collaboration between tertiary education institutions and other parts of New Zealand's tertiary education and research, science and technology sectors.

18 Centres funded through the Centres of Research Excellence Fund will be encouraged to become self-funding eventually, where that is realistic. Potential funding sources include industry investment, sponsorship by enterprise, returns on patents, research contracts, or other government research funds.

Tertiary Education Commission responsibilities

- Developing the details of how to implement the Centres of Research Excellence Fund.
- Implementing the Centres of Research Excellence Fund.
- Operating the funding rounds (including sub-contracting elements of the process as necessary).
- Making operational funding decisions for Centres of Research Excellence.
- Informing the Minister for Tertiary Education, the Associate Minister of Finance, and the Minister of Research, Science and Technology of the operational funding decisions.
- Reviewing individual Centres of Research Excellence at the mid-point of their six-year funding term and making decisions on the continuation of funding for the remainder of the funding term.
- Reviewing guidelines on the use of Centres of Research Excellence funding as necessary.
- Informing the Ministry of Education about any strategic policy issues relating to Centres of Research Excellence.

Ministry of Education responsibilities

In consultation with the Tertiary Education Commission, the Ministry of Education is responsible for contributing to strategic policy issues in relation to Centres of Research Excellence, including:

- confirming with the Minister for Tertiary Education the government strategies that are pertinent to assessing the potential contribution of Centres of Research Excellence to New Zealand's future development, prior to any future selection rounds; and
- responding to any strategic policy issues that arise in relation to Centres of Research Excellence.

Tertiary Education Commission reporting requirements

Reporting requirements, including performance measures and performance targets, relating to the Centres of Research Excellence Fund are included in the Purchase Agreement between the Minister for Tertiary Education and the Tertiary Education Commission.

Key decisions

CAB Min (01) 12/6(15)	2001 Budget Package: Vote Education
EHC Min (01) 3/ 4	<i>Centres of Research Excellence</i>
CAB Min (01) 29/11	<i>The Centres of Research Excellence Fund: Implementation Progress Report and Selection Criteria Issues</i>

MoE submission S01/636	<i>Centres of Research Excellence – Selection Framework</i>
MoE submission S01/2359	<i>Allocation of Additional Centres of Research Excellence Funding for 2002/03 and Outyears</i>
CAB Min (02) 12/8(51)	<i>2002 Budget Package: Vote Education</i>
CBC Min (05) 12/6	<i>Centres of Research Excellence Beyond 2008</i>
CAB Min (05) 31/11	<i>Additional Item: Cabinet Business Committee: Power to Act</i>
CAB Min (06) 11/7 (18)	<i>2006 Budget Package: Vote Education</i>
POL Min (06) 15/3	<i>Centres of Research Excellence – Selection Round III</i>
CAB Min (06) 28/3A	<i>Centres of Research Excellence – Selection Round III</i>

Key papers

EHC (01) 9	<i>Centres of Research Excellence</i>
EHC (01) 55	<i>The Centres of Research Excellence Fund: Implementation Progress Report and Selection Criteria Issues</i>
MoE submission S01/636	<i>Centres of Research Excellence – Selection Framework</i>
MoE submission S01/2359	<i>Allocation of Additional Centres of Research Excellence Funding for 2002/03 and Outyears</i>
TEC and MoE submission S/04/230	<i>Determination of the Design of the Funding Mechanism for Centres of Research Excellence</i>
CBC (05) 203	<i>Centres of Research Excellence Beyond 2008</i>
POL (06) 183	<i>Centres of Research Excellence – Selection Round III</i>
TEC submission S/06/425	<i>Centres of Research Excellence – selection framework</i>

APPENDIX 2

- 1 Excellence: excellent research, including the assessment of the:**
 - a Excellence of the research programme;
 - b Excellence of research team; and
 - c Degree to which inter-institutional and international collaboration and networking strengthens the research proposal.

- 2 Relevance: contribution to New Zealand's future development, including the assessment of the:**
 - a Impact: potential to enhance New Zealand's future development;
 - b Pathways to innovation through collaboration with public or private sectors; and
 - c Transfer of knowledge to end-user, communities and other researchers.

- 3 Access or human capital development, including the assessment of the:**
 - a Commitment to educating New Zealand's future workforce;
 - b Contribution to graduate education; and
 - c Contribution to development of experts in wealth creation.

- 4 Governance and management, including the assessment of the:**
 - a Management structure;
 - b Business plan;
 - c Agreements among participating organisations;
 - d Facilities; and
 - e Centre development.

The greatest weighting will be given to the excellence criterion (40%), with the other three criteria each weighted at 20%.