Introduction

This document outlines the University’s procedures for managing the allocation of Performance-Based Research Fund (PBRF) funding at the University.

Definitions

College Finance Manager – depending on the College, this may refer to a College Finance Manager, Management Accountant or College Business Manager.

External Research Income (ERI) – 20% of the PBRF funding pool. A measure of research excellence based on the value of external research income awarded to the organisation, assuming funder choice as a proxy for research excellence. The ERI measure is calculated as a rolling average using three years of completion data, with weights applied for the year of funding and the funder type. ERI is calculated annually. (For further information on ERI, see the Performance-Based Research Fund User Manual V4 (Tertiary Education Commission website, PDF, 1MB)).

Performance-Based Research Fund (PBRF) – a government research fund designed to encourage and reward research excellence in the tertiary sector, managed by the Tertiary Education Commission (TEC). The PBRF includes three measures: Quality Evaluation (QE), Research Degree Completion (RDC) and External Research Income (ERI). Funding is allocated proportionally based on an organisation’s performance in relation to other participating organisations.

Quality Category (QC) – the grade assigned to a portfolio by the TEC PBRF Quality Evaluation peer review panels, i.e., A, B, C, C(NE), R or R(NE). R and R(NE) QCs are not funded. NE indicates the staff member is “new and emerging”, which means the staff
member undertook substantive and independent research for the first time during the assessment period.

Quality Evaluation (QE) – 55% of the PBRF funding pool. A measure of the research excellence of researchers at PBRF-participating organisations, assessed by peer review of individuals’ evidence portfolios, which include information on the research outputs produced and research contributions made during a specific assessment period. The results of a QE round are used to determine funding for a period of six years, until the next QE round is completed. (For further information on QE, see the guidelines for the 2018 PBRF on the TEC website (Tertiary Education Commission website).

Research Degree Completion (RDC) – 25% of the PBRF funding pool. A measure of research excellence based on the number of RDC-eligible degrees completed each year, assuming student choice of organisation as a proxy for research excellence. The RDC measure is calculated as a rolling average using three years of completion data, with weights applied for year since completion, degree type (a volume of research component weighting), completion subject area (cost weighting), student ethnicity (an equity weighting), and whether the thesis is written in Te Reo Māori. RDC is calculated annually. (For further information on RDC, see the Performance-Based Research Fund User Manual V4 (PDF, 1MB) (Tertiary Education Commission website).

Single Data Return (SDR) – a set of data returned to the Ministry of Education and Tertiary Education Commission for funding, monitoring performance against investment plans and publishing performance information, as well as statistical reporting purposes.

Tertiary Education Commission (TEC) – the organisation responsible for funding tertiary education in New Zealand.

Tertiary Education Organisation (TEO) – a tertiary education provider, industry training organisation, or other person or body that provides tertiary education-related services satisfies the requirements of section 159(b) of the Education Act 1989 (New Zealand Legislation website).

Unit – a generic term referring to any college, school, department, centre, division, service area or academic unit of the University, as appropriate in the particular context.

Procedures

Procedures for Funding Allocation

1. In principle, PBRF funding is allocated to the unit in which it was generated. With respect to the three PBRF measures, this means

   a) Quality Evaluation (QE): funding will be allocated to the unit/s in which the researcher who generated the funding is employed.

   b) Research Degree Completion (RDC): funding will be allocated to the unit/s of the supervisor/s of the completed degree.
c) External Research Income (ERI): funding will be allocated to the unit hosting the research grant/funding, which will usually be the unit of the lead principal investigator or funding recipient.

2. PBRF funding is paid to the University in monthly instalments from the Tertiary Education Commission (TEC) and is allocated monthly to units.

Allocation of Quality Evaluation Funding

3. To participate in the QE, researchers must meet the following criteria:
   a) Be engaged by the University through an employment agreement or contract for service agreement of at least one year (the year may include a single gap of up to one month).
   b) Be employed at a minimum of 0.2 full-time equivalency (FTE) throughout the year, if resident in New Zealand, or a minimum of 0.5 FTE throughout the year, if not resident in New Zealand.
   c) Be employed at any time within the PBRF Census year (the year prior to the PBRF Census day).
   d) Be employed to perform substantive research and/or degree-level teaching.
   e) Be a current employee on the PBRF Census day.
   f) If employed at a non-TEO and subcontracted to a TEO, meet the strengthened criteria:
      • Be employed to perform substantive research and degree-level teaching, and
      • Have been continuously employed to perform substantive research and degree-level teaching at 0.2 full-time equivalency (FTE) or more, in each of the three years bridging the PBRF Census day.

4. QE results are weighted by:
   a) The researcher’s Quality Category (QC) – the weights are A 10, B 6, C/C(NE) 2, and R/R(NE) 0 (note: the weight of C(NE) will increase to 4 following the 2018 QE).
   b) The FTE of the researcher – researchers employed at less than 1 FTE are weighted pro rata.
   c) The researcher’s subject area – generally, the weights are social sciences/humanities/mathematics/law 1, sciences/creative & performing arts/health studies 2, and medicine/engineering/applied sciences 2.5:

<table>
<thead>
<tr>
<th>Subject Areas</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Māori knowledge and development; law; history, history of art, classics</td>
<td>1</td>
</tr>
<tr>
<td>and curatorial studies; English language and literature; foreign languages</td>
<td></td>
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<tr>
<td>and linguistics; philosophy; religious studies and theology; political</td>
<td></td>
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<tr>
<td>science, international relations and public policy; human geography;</td>
<td></td>
</tr>
<tr>
<td>sociology, social policy, social work, criminology and gender</td>
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</tbody>
</table>
5. The University is allocated a proportion of the total QE fund. This proportion is the University’s total weighted score divided by the sector’s weighted score. The funding formula is:

\[
\frac{\sum UC \ [ (QC) \times (FTE) \times (subject\ area\ weight) ]}{\sum All\ TEOs\ [ (QC) \times (FTE) \times (subject\ area\ weight) ]} \times \$QE\ funding\ pool
\]

6. Units are allocated a proportion of the University’s QE fund, equal to the unit’s total weighted score divided by the University’s total weighted score.

7. The PBRF Manager will maintain a spreadsheet listing the weighted results for researchers, by unit, and the aggregated score and funding percentage for each unit.

8. To help protect the confidentiality of PBRF results, the PBRF Manager will supply Financial Services with a high-level summary QE allocation spreadsheet, listing funding allocations by unit. This information will not include the names or results of individuals.

9. By default, the weighted result and associated funding will be allocated to the unit/s in which the researcher was employed at the time of the PBRF Census (using the FTEs at the time of the Census to allocate funding to more than one unit, if required). A report of the provisional allocations will be sent to unit/s to confirm/negotiate at the time of the release of QE results.

10. If researchers move between units following the initial allocation of QE funding, they can negotiate with the relevant Heads and Pro-Vice-Chancellors (PVCs) to have their funding reallocated to their new unit. The Heads and PVCs of all units involved need to agree to this reallocation.

Reallocations take effect at the beginning of the next calendar year and would only affect current and future payments (i.e., there will be no centrally managed transfer of
previous payments). An email confirming the details of the reallocation, and who has agreed to this reallocation, should be sent to the PBRF Manager and copied to the researcher and the Heads, PVCs and College Finance Managers involved. The PBRF Manager will reallocate the funding in the QE allocation spreadsheet and send the updated QE allocation spreadsheet to Financial Services to implement in the following calendar year.

11. If researchers undertake their research within a research centre or institute they can negotiate with the relevant Heads and PVCs to have a proportion of their funding allocated to the research centre/institute. The Head and PVCs need to agree to this reallocation. An email confirming the details of the reallocation, and who has agreed to this reallocation, should be sent to the PBRF Manager and copied to the researcher and the Heads, PVCs and College Finance Managers involved. The PBRF Manager will reallocate the funding and send an updated QE allocation spreadsheet to Financial Services to implement in the following calendar year.

Allocation of Research Degree Completion Funding

12. To be eligible for inclusion in the Research Degree Completion (RDC) measure, degrees must contain at least 75% research and be externally moderated (at the University this includes all PhDs, DMA, EdD, most Master’s and BFA (Hons) degrees).

13. RDCs are measured by completion of the research course component of the degree.

14. RDCs are recorded against the year in which the course was completed. Completion is when any examination and corrections for the course have been completed and is recorded as the ‘result of examination’ date in the University’s Student Management System (SMS).

15. Completion data are collected by the TEC from the Single Data Return (SDR).

16. RDCs are weighted by

   a) Volume of research factor (based on the degree type) – the weights are PhD/DMA 3, Masters (EFT 0.75-1) equal to the EFT, and BFA (Hons) 1.

   b) Student equity – with Māori and Pacific Island students weighted at 2, other students weighted at 1.

   c) Degree subject area – as per the subject area weights given in 4 above.

   d) Theses written in te reo Māori are weighted at 4, other languages at 1 (if the te reo Māori weight is applied, the student equity weight is not applied).

For example, a PhD completed by a Māori student in the area of History and written in te reo Māori would be weighted at 12 (3 x 1 x 4).

17. RDC is calculated as a three year rolling average with the weight of the RDC for a given year decreasing over the three years it is used. The year weights are
a) First year of funding: 0.5.

b) Second year of funding: 0.35.

c) Third year of funding: 0.15.

18. The University is allocated a proportion of the RDC fund, equal to the University’s total weighted RDC score divided by the sector’s weighted score. The funding formula is:

$$\frac{\sum_{UC} \left( \frac{wt \ RDC \ _{yr \ 3 \times \ 0.15}}{\sum \ All \ TEOs} + \frac{wt \ RDC \ _{yr \ 2 \times \ 0.35}}{\sum \ All \ TEOs} + \frac{UC \ wt \ RDC \ _{yr \ 1 \times \ 0.5}}{\sum \ All \ TEOs} \right)}{\sum \ All \ TEOs} \times \$RDC \ funding \ pool$$

19. Units are allocated a proportion of the University’s RDC fund, equal to the unit’s total weighted RDC score divided by the University’s total weighted score, with supervisory splits applied.

20. RDCs are allocated to the unit/s of the degree supervisors at the time of supervision, tracked via the unit/s that administer the course in the University’s SMS and any recorded supervisory splits recorded for a particular student in the University’s SMS.

21. To ensure that the supervisory splits (the agreed percentages for splitting any University income associated with the student between the supervisors’ units) are recorded correctly, a list of completions for the previous year, with supervisory splits, will be circulated to colleges for checking during the semester one break. Any changes to splits need to be approved by the appropriate College Finance Managers and updated in the University’s SMS. An email confirming the details of the split should be sent to the PBRF Manager and copied to the College Finance Managers involved.

22. The Business Insight Team will supply Financial Services with a high level summary RDC allocation spreadsheet listing allocations by department for allocation of funding.

Allocation of External Research Income Funding

23. For external research income to be eligible for inclusion in the External Research Income measure it must be

   a) for the purposes of research, and

   b) paid to the University or any organisation wholly owned by the University.

24. The following items may be included as ERI:

   a) Grants providing a stipend to a research student and/or the cost of a student’s research degree (the degree does not need to be RDC-eligible, but does need a research component).
b) Funds provided specifically for the purpose of travel when used to enable access to a programme of research (the staff member/s using the funds should be active in the research programme, rather than being an observer or visitor).

c) Funds supplied for clinical trials provided the purpose of the trial meets the PBRF definition of research (for further information on the PBRF definition of research refer to the guidelines for the 2018 PBRF on the TEC website (Tertiary Education Commission website).

d) Funds that support any other part of the full costs of a research programme (e.g., support for travel to conferences directly associated with a research programme even where the research programme itself may be otherwise funded internally).

e) Capital grants provided to purchase assets explicitly for the purpose of conducting research (irrespective of whether or not such grants are ultimately applied to operating costs or to the purchase of research equipment).

f) Capital which is provided specifically for research purposes and which is treated as an equity contribution in the TEO’s financial statements (e.g., capital grants received for establishing Centres of Research Excellence).

g) Income from Centres of Research Excellence (CoREs).

h) Funds from the Strategic Development Fund provided specifically for the purpose of research.

25. ERI is weighted by the funder type:
   a) New Zealand contestable funds: 1.
   b) New Zealand public sector contract research: 1.
   c) Overseas research income: 1.5.
   d) New Zealand non-government income: 2.0.

26. ERI is calculated as a three year rolling average, with the weight of the ERI for a given year decreasing over the three years it is used. The year weights are
   a) First year of funding: 0.5.
   b) Second year of funding: 0.35.
   c) Third year of funding: 0.15.

27. The University is allocated a proportion of the ERI fund, equal to the University’s total weighted external research income divided by the sector’s total weighted external research income. The funding formula is:

\[
\frac{\sum UC \left[ \left( \frac{wt \ ERI}{yr \ 3 \times 0.15} \right) + \left( \frac{wt \ ERI}{yr \ 2 \times 0.35} \right) + \left( \frac{wt \ ERI}{yr \ 1 \times 0.5} \right) \right]}{\sum All \ TEOs \left[ \left( \frac{wt \ ERI}{yr \ 3 \times 0.15} \right) + \left( \frac{wt \ ERI}{yr \ 2 \times 0.35} \right) + \left( \frac{wt \ ERI}{yr \ 1 \times 0.5} \right) \right]} \times \$RI \ funding \ pool
\]
28. Units are allocated a proportion of the University’s ERI fund, equal to the unit’s total weighted external research income divided by the University’s total weighted external research income.

29. Funding is allocated to the unit hosting the research grant/funding, which will usually be the unit of the lead principal investigator (specified in the Research Management System), unless an alternative arrangement is documented and advised to Research & Innovation, or the funding recipient. Where the research grant funding is hosted by a Research Institute or Centre of Research Excellence, the associated ERI funding is split between the host department and the unit/s employing the principal investigators:

- Biomolecular Interaction Centre: 50% to the host, 50% to the lead principal investigator’s employing unit
- Geospatial Interaction Centre: 50% to the host, 50% to the lead principal investigator’s employing unit
- New Zealand Institute of Language, Brain and Behaviour: 50% to the host, the remaining 50% split evenly between the principal investigators
- QuakeCoRE: 50% to the host, 50% to the lead principal investigator’s employing unit

30. Financial Services provide a report of research and other income that may qualify as external research income to Research & Innovation, UC Foundation and the Scholarships Office. These departments check the data and confirm the ERI eligibility of the income and return the data to Financial Services.

31. Financial Services will allocate ERI funding to units using a confirmed summary of aggregated funding by unit.

32. A copy of the ERI data and the ERI allocation spreadsheet will be forwarded to the PBRF Manager.

33. The ERI data is audited annually.

Related Documents and Information

Legislation
- Education Act 1989 (New Zealand Legislation website)

UC Website and Intranet
- Research & Innovation (University Research & Innovation website)

External
- Performance-Based Research Fund User Manual V4 (Tertiary Education Commission website, PDF, 1MB)
- Performance-Based Research Fund homepage (Tertiary Education Commission website)
- Performance-Based Research Fund Quality Evaluation Guidelines 2012 (Tertiary Education Commission website)

For further information, contact Research & Innovation (University Research & Innovation website), Level 2, Geography-Psychology Laboratory Block, Christchurch, ph 364 2688, fax 364 2694.

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<td>1.00</td>
<td>Creation of original document and posting to UCPL</td>
<td>AVC (Research)</td>
<td>Feb 2013</td>
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<td>1.01</td>
<td>Updated approval authority title – AVC(R) now DVC(R). Updated hyperlinks.</td>
<td>Policy Unit</td>
<td>Oct 2013</td>
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<td>1.02</td>
<td>Hyperlinks updated.</td>
<td>Policy Unit</td>
<td>Aug 2014</td>
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<td>1.03</td>
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<td>Policy Unit</td>
<td>Sep 2014</td>
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<tr>
<td>1.04</td>
<td>Amended a definition for consistency across policies.</td>
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<td>DVC (Research)</td>
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<td>‘Faculty’ references changed to ‘College’ to reflect College-Faculty merger.</td>
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