



## COVERSHEET

<b>Minister</b>	Hon Dr Shane Reti	<b>Portfolio</b>	Science, Innovation and Technology
<b>Title of Cabinet paper</b>	Transitioning health research funding from the Health Research Council to Research Funding New Zealand	<b>Date to be published</b>	9 April 2026

<b>List of documents that have been proactively released</b>		
<b>Date</b>	<b>Title</b>	<b>Author</b>
November 2025	Transitioning Health Research Funding from the Health Research Council to Research Funding New Zealand	Offices of the Minister of Science, Innovation and Technology, and of the Minister of Health
12 November 2025	Transitioning Health Research Funding from the Health Research Council to Research Funding New Zealand ECO-25-MIN-0185 Minute	Cabinet Office
5 November 2025	Future of Health Research Funding: Decision Making and Allocation RIS	MBIE and MOH
5 November 2025	RIS Annex 2 - Cost Recovery for a Fast-track Research Ethics Review Process	MBIE and MOH
3 December 2025	RIS Quality Assurance Feedback Form and QA Criteria	MBIE and MOH
14 August 2025 – 5 November 2025	Briefings on the Future of Health Research Funding	MBIE and MOH

### **Information redacted**

**YES**

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Some information has been withheld under the grounds of commercial information, confidential advice to Government, and confidential commercial information (trade secret).

**[In Confidence]**

Office of the Minister of Science, Innovation and Technology

Office of the Minister of Health

Cabinet Economic Policy Committee

## **Transitioning health research funding from the Health Research Council to Research Funding New Zealand**

### **Proposal**

- 1 This paper seeks Cabinet’s agreement to disestablish the Health Research Council (HRC) as a Crown entity, and transition key responsibilities and functions to Research Funding New Zealand (RFNZ), the Ministry of Business, Innovation and Employment (MBIE), and the Ministry of Health (MOH).

### **Relation to government priorities**

- 2 The science reforms support the Government’s *Going for Growth* initiative by enabling our world-class scientists working in Public Research Organisations, Tertiary Education Organisations, other research organisations and businesses to translate ideas into market-ready innovations, strengthening New Zealand’s global competitiveness.
- 3 This proposal supports the Government’s commitment to simplify the science, innovation and technology funding system to improve system coherence and efficiency, and drive economic growth.

### **Executive Summary**

- 4 This paper seeks Cabinet’s agreement to disestablish the HRC and transfer its functions to RFNZ, MBIE, and MOH, giving effect to Cabinet’s earlier in-principle decision to include health research funding within RFNZ’s remit [ECO-25-MIN-0147 and CAB-25-MIN-0324].
- 5 Disestablishment supports broader Science, Innovation and Technology (SI&T) reforms aimed at simplification, and improving system coherence and strategic alignment. Health research funding will be delivered through RFNZ’s Health and Society pillar, guided by a Pillar Investment Plan (PIP) and a revised Memorandum of Understanding (MoU) between the Ministers of Health and SI&T.
- 6 Cabinet approval is sought to issue drafting instructions for the SI&T Bill, including repeal of the Health Research Council Act 1990 (HRC Act), amendments to the Pae Ora (Healthy Futures) Act 2022 to update the ethics regime, and provisions for cost recovery for fast-track ethical review.
- 7 Implementation will be phased: pillar development begins in 2026, with full transition of funding responsibilities in 2028.

Commercial Information

Detailed planning will ensure continuity and sector confidence.

## Background

- 8 Cabinet has agreed to a series of reforms to establish a strategy-driven SI&T system with clear priorities that align with the Government's goals for economic growth and resilience [CAB-24-MIN-0504.02 and CAB-25-MIN-0187 refer]. These reforms include a shift to a domain-based pillar framework and the creation of a single national research funding decision-maker – RFNZ – to ensure that public investment in research is directed to areas of greatest benefit to New Zealand [ECO-25-MIN-0147 refers].
- 9 The reforms support the Government's *Going for Growth* initiative by enabling world-class scientists working in Public Research Organisations, Tertiary Education Organisations, independent research organisations, and businesses to translate ideas into market-ready innovations that strengthen New Zealand's global competitiveness.
- 10 The Tertiary Research Excellence Fund (TREF) and the Centres of Research Excellence complement the new SI&T funding framework. In particular, the recent replacement of the Performance-Based Research Fund with the TREF is aligned to the new system as it includes a stronger emphasis on driving economic returns for New Zealand, including through commercialisation and enhanced efficiencies.
- 11 As part of these reforms, Cabinet agreed in principle that the RFNZ remit will include health research, subject to the development of a suitable transition strategy for the HRC [ECO-25-MIN-0147 refers].
- 12 This paper sets out the detailed policy, legislative, and implementation steps required to give effect to that in-principle decision, including the disestablishment of the HRC as a Crown entity, and redistribution of retained functions across RFNZ, MBIE, MOH, and other relevant entities.

## Disestablishing the HRC

- 13 The HRC is the primary agency responsible for health research funding in New Zealand. Shifting the funding function from HRC to RFNZ means the HRC will lose its central purpose. While the HRC also undertakes a range of non-funding activities – such as ethics oversight, workforce development, and policy advice – these functions are not sufficient to justify the continued existence of a standalone Crown entity.
- 14 Maintaining the HRC without its funding role would leave a residual organisation with limited and disconnected responsibilities, resulting in inefficiencies and duplication across the system.
- 15 Full disestablishment of the HRC is therefore the preferred and most coherent option. This approach enables a clean transition of functions and avoids the need to maintain a diminished entity with no clear mandate.
- 16 To give effect to this disestablishment, legislative change is required. The repeal of the HRC Act will remove the statutory basis for the entity and allow for the redistribution of its remaining functions to appropriate agencies.

## Redistribution of function and activities

- 17 If the disestablishment of the HRC proceeds, its statutory and operational functions will be redistributed across the SI&T and health systems. At a high level:
- 17.1 **Funding administration functions** will transfer to RFNZ and MBIE. RFNZ will lead funding decision-making, while MBIE will support administration and oversight. This change gives effect to the broader policy intent of establishing a single national research funding decision-maker, enabling system-wide priority setting to apply to health research funding and improving the Government’s ability to direct investment toward areas of greatest strategic importance.
  - 17.2 **National health research policy and advisory functions** will be led by MOH, with MBIE supporting alignment between the science and health systems, and RFNZ responsible for investment planning and evaluation of investment outcomes.
  - 17.3 **Ethics review functions** will be transitioned to the National Advisory Committee on Health and Disability Support Services Ethics (NEAC) pending the development of a new National Standard on Ethical Conduct in Human Research. This represents an improvement on the current fragmented approach by introducing a more joined-up ethics system with clearer roles, responsibilities, and processes across the sector.
  - 17.4 **Scientific review functions**, which provide the basis for approval of clinical trials as referred to in the Medicines Act 1981, will transfer to MOH to become part of Medsafe. Medsafe already holds the expertise to perform these functions, and they already intersect with some of Medsafe’s existing work.
  - 17.5 **Health research workforce development** will be transitioned to MBIE, RFNZ, and MOH. MBIE and MOH already undertake some workforce development and planning activities. For example, MOH is responsible for health workforce strategy, while MBIE provides stewardship of the SI&T system, including advice on workforce development and funding initiatives such as fellowships.
  - 17.6 **Statutory advisory committees** (Public Health Research, Biomedical Research and Māori Health Research). RFNZ will be responsible for appointing committees or advisory groups with the relevant expertise to support funding assessment and provide advice in specialised areas. These will include standing committees that can provide advice on research related to Māori health and to Pacific health.
- 18 Further detail on the proposed redistribution of functions is provided in **Annex One**.

## Updated ethics regime for health research

- 19 Independent ethical and scientific scrutiny is central to New Zealand’s reputation as a trusted health research environment. We propose integrating the HRC Ethics Committee’s functions with NEAC’s national standards to establish a new National

Standard on Ethical Conduct in Human Research, led by NEAC. This would clarify roles, expectations, and processes across the ethics system, and allow refinement through sector input. Legislating compliance with the standard will help ensure human participants, who are essential to advancing health research, are protected.

- 20 As part of the consequential changes to arrangements for ethical review, we intend to provide for cost recovery for ethical review. This will allow increased resourcing for ethical review, enabling research applications to be reviewed more quickly. This will support the overall objectives of the reform, particularly encouraging economic growth, by making New Zealand a more attractive destination for undertaking clinical trials.
- 21 The clinical trials sector has asked for a faster process for ethical review and have said they would be willing to pay for a guaranteed review timeframe of 20 days. This compares to the current target of 35 days for free ethical review, which is not always met.
- 22 This will require a provision to be included in the Pae Ora (Healthy Futures) Act 2022 for fees to be set by Order in Council on the recommendation of the Minister of Health. The provision will need to allow for different fees to be set for different types of application and provide for fee waivers.

### **Roles and responsibilities for the health and society pillar in the new funding structure**

- 23 With the disestablishment of the HRC, traditional Crown entity mechanisms for ministerial direction – such as Letters of Expectations and Statements of Intent – will no longer apply to health research funding.
- 24 In the future system, the primary tool for setting strategic direction will be the Pillar Investment Plan (PIP) for the Health and Society pillar. This offers a more outcomes-focused approach but will require clear coordination between the Ministers of Health and SI&T to ensure alignment across the health and SI&T systems.
- 25 The Ministers of Health and SI&T intend to develop a revised MoU to clarify their roles and responsibilities in relation to health research funding, and the roles of MBIE and MOH. This will include respective roles in how the PIP will be published, with ministerial agreement on content and responsibility for publication resting with the Minister of SI&T.
- 26 This arrangement will support continued health sector influence in research funding decisions and provide a clear framework for collaboration between the two portfolios.

### **Implementation**

#### *Disestablishment of the HRC organisation*

- 27 The disestablishment of the HRC as a Crown entity will require careful planning to ensure continuity of critical functions and minimise disruption. This includes winding down governance arrangements, formally notifying Council members, and ensuring mechanisms are in place to maintain health sector involvement in health research in

the absence of Crown entity levers. Legislation will need to include transitional provisions supporting the disestablishment and transfer processes.

- 28 Key operational activities will include:
- 28.1 Transitioning staff and roles to receiving agencies (e.g. MBIE, MOH) based on function.
  - 28.2 Transferring assets, systems, and organisational knowledge.
  - 28.3 Managing legal and employment obligations to support staff wellbeing.
- 29 Funding and resources will be transferred alongside functions to ensure continuity. A portion of the Health Research Fund will be allocated to MOH to support ethics and scientific review functions. MBIE and MOH will work closely with HRC to scope and manage the transition, including financial closure, statutory reporting, and public records obligations.

### *Timeframes*

- 30 Development of the Health and Society pillar will begin in 2026. Initial work will focus on mapping existing HRC funding to the pillar, alongside other SI&T funding that contributes to its intended outcomes. HRC will continue to determine how funding is allocated until funding responsibilities are formally redistributed.
- 31 The transition of health research funding responsibilities to RFNZ and MBIE will occur in 2028, aligning with the full implementation of the Health and Society pillar.

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Contracting responsibilities will then transfer to MBIE, and RFNZ will assume full funding responsibilities from that point forward.

- 32 Disestablishment of the HRC as a Crown entity will be timed to coincide with the funding transition, including the transfer of staff, assets, systems, and functions to receiving agencies. Detailed planning will be undertaken to ensure continuity and sector confidence throughout the transition.

### **Cost-of-living Implications**

- 33 These proposals have no immediate or direct cost of living implications.

### **Financial Implications**

- 34 A portion of existing funding will be transferred annually from the Science, Innovation and Technology: Health Research Fund appropriation under Vote Business, Science and Innovation to MOH's Stewardship of the New Zealand health system: Regulatory and Enforcement Services appropriation. This transfer will support MOH's expanded responsibilities for ethics and scientific review functions following the disestablishment of the HRC, and address historical funding shortfalls associated with the delivery of these functions. The adjustment will be managed through a Fiscally Neutral Adjustment. Officials will work with Treasury to confirm the appropriate mechanism and timing.

## Legislative Implications

- 35 Legislation is required to implement the proposals in this paper. If agreed by Cabinet, the proposals will be given effect through the Science, Innovation and Technology Bill, which will include the following changes:
- 35.1 repeal of the HRC Act
  - 35.2 amendment of the Pae Ora (Healthy Futures) Act 2022 to provide for an updated ethics regime, and
  - 35.3 consequential changes to tidy up references in the Pae Ora (Healthy Futures) Act 2022, Medicines Act 1981, Accident Compensation Act 2001, and Health Information Privacy Code 2020.
- 36 Cabinet has previously agreed to create a SI&T Bill that gives effect to a package of proposals, including enabling funding decision making bodies to be rationalised and required them to respond to Government priorities [ECO-25-MIN-0088]. MBIE and MOH will work with the Parliamentary Counsel Office to prepare additions to the SI&T Bill to give effect to the proposals. MBIE will be responsible for the administration of the legislation.
- 37 Ministers will ask officials to seek advice from the Office of the Clerk about whether the SI&T Bill is a valid omnibus bill under Standing Order 267(1)(a).

## Impact Analysis

### Regulatory Impact Statement

- 38 A joint MBIE and MOH quality assurance panel has reviewed the regulatory impact statement on transitioning health research funding to RFNZ for decision-making.
- 39 The panel considers the regulatory impact statement meets the quality assurance criteria.

### Climate Implications of Policy Assessment

- 40 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this policy proposal, as the threshold for significance is not met.

## Population Implications

- 41 This proposal should not have a disproportionate impact on particular population groups.

## Human Rights

- 42 Ministers consider the proposals are consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

## Consultation

- 43 This paper has been consulted with the following agencies: Treasury, Department of Prime Minister and Cabinet, Public Services Commission, Ministry of Education, Ministry of Health, Ministry for Primary Industries, Ministry for the Environment, Department of Conservation, Housing and Urban Development, National Emergency Management Agency, Ministry of Foreign Affairs and Trade, Ministry for Pacific Peoples, Ministry of Defence, Te Puni Kokiri, Ministry of Social Development, Inland Revenue, Ministry of Justice, Ministry for Regulations, Accident Compensation Corporation, Health New Zealand, Ministry for Ethnic Communities, Ministry for Women, Oranga Tamariki, Whaikaha and the Social Investment Agency.
- 44 Targeted consultation has also been undertaken with the following stakeholders who are most impacted by the proposal: HRC, Malaghan Institute of Medical Research, Medical Research Institute of New Zealand, universities (via the Deputy Vice-Chancellors group), NEAC, Health New Zealand, and Medsafe.

## Communications

- 45 The Minister of SI&T announced the wider SI&T funding reforms on 14 October 2025 which included the in-principle decision to include health research funding under the remit of RFNZ.

## Proactive Release

- 46 We intend to direct officials to release this paper in accordance with the guidance in Cabinet Office Circular [CO (18) 4].

## Recommendations

The Minister of Science, Innovation and Technology and the Minister of Health (Ministers) recommend that the committee:

- 1 **note** that on 17 September 2025, Cabinet agreed in principle that Research Funding New Zealand (RFNZ) remit will include health research subject to a suitable transition strategy for the Health Research Council (HRC) [ECO-25-MIN-0147 and CAB-25-MIN-0324];
- 2 **agree** to disestablish the HRC and redistribute its responsibilities to RFNZ, Ministry of Business, Innovation and Employment (MBIE), and Ministry of Health (MOH) as set out in Annex one;
- 3 **agree** to update the ethics regime for health research by:
  - 3.1 requiring all human research to comply with the National Standard on Ethical Conduct in Human Research.
  - 3.2 tasking the National Advisory Committee on Health and Disability Support Services Ethics (NEAC) with issuing and maintaining the National Standard on Ethical Conduct in Human Research.

**IN CONFIDENCE**

- 4 **agree** to provide a discretionary power allowing fees to recover the cost of ethical review to be set by Order in Council on the recommendation of the Minister of Health.
- 5 **note** that in June 2025, Cabinet agreed to create a Science, Innovation and Technology (SI&T) Bill to give effect to a package of proposals enabling, among other things, funding decision-making bodies to be rationalised and required to respond to Government priorities [ECO-25-MIN-0088 and CAB-25-MIN-187].
- 6 **agree** to address recommendations 2, 3 and 4 in the SI&T Bill.
- 7 **invite** the Ministers to issue drafting instructions to the Parliamentary Counsel Office to give effect to recommendations 6.
- 8 **authorise** the Ministers to make decisions on minor and technical matters that may arise during the drafting process.
- 9 **authorise** the Ministers to make decisions, consistent with the proposals in these recommendations, on any issues which arise during the drafting process.
- 10 **agree** in principle that the detailed transfer of functions and resources to support those functions will be effected through a detailed transition plan to be agreed by Ministers of Health and SI&T.
- 11 **note** that Cabinet has previously authorised the Minister of Finance and Minister of Science, Innovation and Technology to agree further reprioritisation decisions after Budget 2025 to continue the implementation of the science, innovation and technology reforms. Once the detailed transition plan is agreed, the Minister of Health and Minister of SI&T to confirm any fiscally neutral transfers [CAB-225-MIN-0126.08].
- 12 **note** that the Health and Society Pillar Investment Plan (PIP) will become the primary mechanism for ministerial direction of health research funding in the future system.
- 13 **note** that a revised MoU between the Ministers of Health and SI&T will set out roles and responsibilities for health research governance, including the development and monitoring of the Health and Society PIP.

Hon Shane Reti

Minister of Science, Innovation and Technology

Hon Simeon Brown

Minister of Health

**IN CONFIDENCE**

**Appendices**

- Table of HRC's functions and proposed transfers

**Annex One: Table of HRC’s functions and proposed transfers**

Function	Future state	Transition arrangements
<p><b>Funding</b> s6 of the HRC Act 1990 deals with provisions for administering funding granted to the HRC including negotiating bulk funding allocations, soliciting proposals and applications for funding and assessment of proposals.</p> <p>The HRC Act has provisions enabling the HRC to administer any additional funds made available to the Council from public or private sources to support health research.</p>	<p>Function covered by provisions in <b>SI&amp;T Bill</b> under funding decision-making board (RFNZ &amp; MBIE)</p>	<ul style="list-style-type: none"> <li>• Health research funding—the HRC’s core function—will transfer to RFNZ, aligning with the policy intent to consolidate funding decisions within a single national entity. RFNZ will lead funding decisions, supported by MBIE in contract administration and oversight.</li> <li>• Funding will be delivered through RFNZ’s standard processes, including calls for proposals and funding rounds. RFNZ will also ensure robust assessment of applications. MBIE will manage contracting and monitoring, as it does for other funds.</li> <li>• The SI&amp;T Bill enables other agencies to use RFNZ’s expertise to administer research funds, improving system-wide consistency and efficiency. Future arrangements may also support private sector co-investment.</li> <li>• <b>Commercial Information</b></li> <li>• Priority setting and budget allocation will be guided by the Prime Minister’s Science, Innovation and Technology Advisory Council (PMSITAC), with roles clarified through a revised MoU between the Ministers of Health and SI&amp;T.</li> <li>• Officials will develop detailed advice on the transition and design of the Health and Society pillar.</li> </ul>
<p><b>Promoting results of health research</b></p>	<p>Function no longer required in statute</p> <p>(MBIE/RFNZ on the outcomes of funded research)</p> <p>[Other organisations eg, MOH, HNZ have different roles in the evidence ecosystem]</p>	<ul style="list-style-type: none"> <li>• Promoting and sharing research results is a shared responsibility across the system, involving researchers, institutions, and organisations like the Science Media Centre. In health, it’s especially important that findings—such as those related to clinical practice—reach clinicians and providers.</li> <li>• We do not propose to retain this function in statute. Broader work is underway to improve how research outcomes are tracked and communicated across the SI&amp;T system.</li> </ul>
<p><b>Advising the Minister of Health on national health research policy</b></p>	<p>Function no longer required in statute</p> <p>(MOH, MBIE)</p>	<ul style="list-style-type: none"> <li>• The core policy activity undertaken by HRC involves translating government policy developed for the health system so that it can be applied and implemented within the context of research, and conversely, translating government policy developed for the SI&amp;T system, so that it can be applied and implemented within the context of health.</li> <li>• Advising Ministers on health research policy are core activities of MOH, MBIE and RFNZ. Detailed arrangements on the consistent provision of this advice will be developed in due course. The MoU between the Ministers of Health and SI&amp;T will be key to setting out roles and responsibilities for Ministers and agencies.</li> </ul>
<p><b>Priority and direction setting</b></p>	<p>Function no longer required in statute</p> <p>(PMSITAC, RFNZ, MBIE, MOH)</p>	<ul style="list-style-type: none"> <li>• The SI&amp;T reforms introduce new mechanisms for setting research priorities. PMSITAC will advise the Minister of SI&amp;T, and RFNZ will implement priorities through PIPs including for the Health and Society pillar.</li> <li>• A revised MoU between the Ministers of Health and SI&amp;T will clarify roles and ensure coordinated input into the PIP. Officials will provide further advice to support clear and consistent priority-setting.</li> </ul>
<p><b>Workforce development</b> Foster recruitment, education, training and retention of those engaged in health research in New Zealand</p>	<p>Function no longer required in statute</p> <p>(MBIE/RFNZ) - career development awards and scholarships &amp; research workforce development</p>	<ul style="list-style-type: none"> <li>• Workforce development activities related to health research are currently undertaken across several agencies, including MOH and MBIE. In the future system, these efforts can be better coordinated to ensure consistency and alignment with broader health and research workforce strategies. The MoU between Ministers could provide guidance on how agencies will work together to support workforce development.</li> </ul>

<p><b>Statutory committees</b> The HRC appoints the Biomedical Research Committee, the Public Health Research Committee, the Māori Health Committee, and the Ethics Committee</p>	<p>(MOH) - health workforce strategy, including research</p> <p>Specific committees no longer required in statute (MBIE/RFNZ)</p> <p>HRC Ethics Committee functions will transfer to MOH/NEAC</p>	<ul style="list-style-type: none"> <li>• RFNZ will appoint expert committees to support funding decisions and provide specialised advice.</li> <li>• RFNZ will have flexibility to design advisory structures that reflect modern, interdisciplinary research needs, while ensuring existing expertise is retained through the transition.</li> <li>• This will include establishing standing committees that can provide advice on research related to Māori health and to Pacific health.</li> </ul>
<p><b>Clinical Trials</b> Medicines Act 1981 s30(1) refers to the Director General of Health seeking recommendations from HRC on clinical trials.</p>	<p>Consequential amendment to <b>Medicines Act 1981</b> MOH</p>	<ul style="list-style-type: none"> <li>• MOH will take over the science review functions required to provide such recommendations to the Director-General of Health. This function intersects with MOH’s current role (through MedSafe), and they already have the required expertise to provide this advice.</li> <li>• A consequential amendment to the Medicines Act to remove reference to the HRC.</li> </ul>
<p><b>Ethics Committee</b> Section 25 of the HRC Act sets out functions of the Ethics Committee</p>	<p>Consequential Amendment to the <b>Pae Ora (Healthy Futures) Act 2022</b></p> <p>MOH &amp; NEAC</p> <p>SI&amp;T Bill</p>	<ul style="list-style-type: none"> <li>• Relevant HRC processes will be reviewed and incorporated into a new NEAC-led National Standard on Ethical Conduct in Human Research, which will clarify roles across the system.</li> <li>• The SI&amp;T Bill must include a clause requiring all human research to comply with this standard. Consequential amendments to the Pae Ora (Healthy Futures) Act will also be needed.</li> </ul>
<p><b>Liaison with other organisations</b></p>	<p>No longer required in statute MBIE/RFNZ/MOH</p>	<p>The HRC has built strong relationships across the health research sector. These will need to be transitioned to and maintained by RFNZ, as well as agencies such as MBIE and MOH (who already have some existing connections). While this function won’t be retained in statute, officials will ensure continuity of engagement to preserve the value of these networks.</p>