



COVERSHEET

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

List of documents that have been proactively released		
Date	Title	Author
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

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified and that would outweigh the reasons for withholding it.

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

Briefing for decision

Proposed Transfer of Health Research Funding

Date due to MO: 21 August 2025 **Action required by:** 26 August 2025

Security level: SENSITIVE **Reference:** H2025071142

To: Hon Simeon Brown, Minister of Health

Contact for telephone discussion

Name	Position	Telephone
Steve Barnes	Associate Deputy Director-General, Strategy and Policy Group	Privacy of natural persons

Author: Gayle Ryan, Principal Policy Analyst, Strategy and Policy Group

Minister's office to complete:

- Approved Decline Overtaken by events
- Needs change Seen
- See Minister's Notes Withdrawn

Comment:

Briefing for decision

Proposed Transfer of Health Research Funding

Security level: SENSITIVE **Date:** 21 August 2025

To: Hon Simeon Brown, Minister of Health

Purpose of report

1. This briefing follows the 14 August weekly report item and seeks your in-principle decision on transferring the Health Research Council's (HRC) health research funding to a proposed national research funder as part of the science system reforms.
2. The briefing outlines significant implications of the proposed funding transfer, particularly its potential impact on the HRC's ability to function as an independent Crown entity and the associated requirement for legislative change to enable the funding transfer.
3. This advice should be read alongside MBIE's briefing *Future of Health Research Funding* (dated 14 August), which has been shared with you by Hon Dr Shane Reti's office.

Summary

4. Cabinet has agreed to establish a national research funder, Research Funding New Zealand (RFNZ) using a pillar-based approach to consolidate government research funding as part of the science system reforms.
5. The Minister of Science, Innovation and Technology, Hon Dr Shane Reti is expected to seek your in-principle agreement to transfer the health research funding currently administered by the Health Research Council (HRC) to RFNZ to progress the reforms.
6. The Ministry of Health (the Ministry) supports the funding transfer in-principle, as it aligns with government priorities and supports the science system reforms.
7.

Legal professional privilege
8. In addition, given that administering research funding is the HRC's core function, and one that is closely interlinked with its other statutory responsibilities, the implications of the funding transfer on the HRC's ability to fulfil its functions under the HRC Act should be carefully considered.
9. If HRC's funding function is removed, it raises substantive questions about the organisation's ongoing viability and the future of its remaining statutory roles.
10. HRC's other statutory functions include promoting and supporting health research, advising the Minister on health research matters, ensuring ethical standards in health research and health research workforce development.

- 11. While no immediate decisions are required on the future of HRC, there would be if this proposal proceeds. This may include the HRC refocusing on a smaller set of functions, or being wound down, with remaining functions absorbed by other entities.
- 12. Given the potential impact on the HRC's future, consultation should be handled sensitively, and we recommend initial engagement should occur at the Minister-Chair level to ensure appropriate governance and respect for the HRC's statutory role.

Recommendations

We recommend you:

- a) **Agree in principle** to the transfer of health research funding to Research Funding New Zealand, with this intention to be reflected in the September Cabinet paper led by MBIE. Yes/No
- b) **Agree in principle** for the September Cabinet paper to seek delegated authority for you and the Minister of Science, Innovation and Technology to oversee legislative and policy work required for the transfer of health research funding and the future of HRC's other functions. Yes/No
- c) **Note** that if transfer of funding is agreed, decisions will need to be made about the future of HRC. We recommend that you discuss this with the Chair of HRC prior to Cabinet decisions. Yes/No
- d) **Agree** to meet with the Chair of the Health Research Council along with Minister Reti prior to consideration by Cabinet. Yes/No



Steve Barnes
**Associate Deputy Director-General
Strategy and Policy**

Date: 21 August 2025



Hon Simeon Brown
Minister of Health

Date: 28/8/25

Proposed Transfer of Health Research Funding

Background

The Health Research Council

13. The HRC is a Crown entity established under the HRC Act. Its primary role is to fund and strategically lead health research across biomedical sciences, public health, Māori health and clinical care.
14. The HRC also supports health research workforce development and provides ethics oversight, contributing to both health and economic outcomes.
15. The HRC is jointly overseen by you, as Minister of Health, and the Minister of Science, Innovation and Technology, Hon Dr Shane Reti. You share responsibility for its governance, strategic direction and funding, as set out in the Memorandum of Understanding (Appendix one).
16. The majority of HRC's funding is allocated from Vote Business, Science, and Innovation. In 2025/26, \$107.6 million of research funding and approximately \$6 million of operational funding was allocated to the HRC through this Vote via MBIE.
17. Vote Health contributes approximately \$285,000 annually to support the HRC's statutory committee operations.

The Health Research Council's statutory functions

18. The HRC's statutory funding and non-funding functions under the HRC Act 1990 are closely interwoven, enabling it to operate as a central agency for health research in New Zealand. This integration supports strategic alignment across investment, policy, ethics and workforce development.
19. Statutory funding functions include administering funds for health research, negotiating bulk funding allocations, advertising for grant applications, appointing committees to assess funding proposals and managing the Government's investment in health research.
20. Statutory non-funding functions include advising the Minister of Health on national health research policy, supporting recruitment, education, and training of health researchers, promoting and disseminating health research findings, facilitating knowledge translation into health policy and practice and maintaining ethical standards through approved ethics committees.

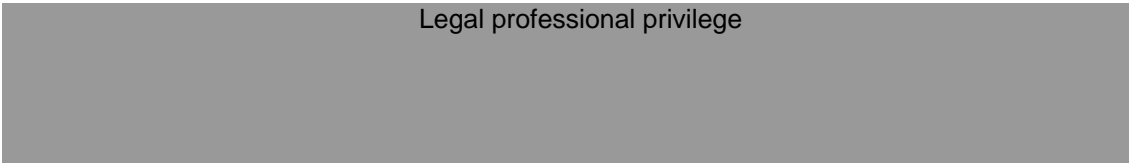
Proposed changes and implications

The science system reforms

21. Cabinet has agreed to a series of reforms to establish a strategy-led Science, Innovation and Technology system. These reforms include the proposed creation of a single funding decision-making council, Research Funding New Zealand (RFNZ), and a domain-based pillar framework for organising research funding.

22. As part of these reforms, health research funding is proposed to be transferred to a Health and Society pillar within RFNZ. The Minister for Science, Innovation and Technology, Hon Dr Shane Reti, is planning to bring this proposal forward for Cabinet consideration in September 2025.
23. To support development of the Cabinet paper, Minister Reti intends to meet with you to seek your in-principle agreement to transfer the HRC's health research funding to RFNZ.
24. MBIE has proposed aligning the funding transfer with the conclusion of the current New Zealand Health Research Strategy in 2027, allowing RFNZ to develop a new strategy that reflects the reformed system. Timing may need to be adjusted depending on Ministerial priorities, system readiness and the legislative process.

Implications for the Health Research Council

25.  Legal professional privilege
26. As health research funding is central to the HRC's statutory mandate, its removal is likely to significantly compromise the HRC's ability to operate effectively as an independent Crown entity.
27. Careful consideration is needed to determine how the HRC's non-funding statutory functions, such as ethics oversight, workforce development and policy advice, could be sustained in the absence of its core funding role.
28. If research funding is transferred to RFNZ, future decisions will be required on whether to:
 - a. Refocus the HRC on a narrower set of functions, supported by a revised legislative and funding framework; or
 - b. Wind down the HRC and transfer its remaining functions to other organisations better positioned to deliver them.
29. Disentangling the HRC's funding and non-funding functions will require careful scoping and risk management, particularly in relation to governance, continuity and the integrity of health research.
30. For example, multiple pieces of primary and secondary legislation, including the Accident Compensation Act 2001 and Health Information Privacy Code 2000, currently require ethics approval must be obtained from an HRC-approved committee. These provisions would need to be amended to reflect any structural changes.

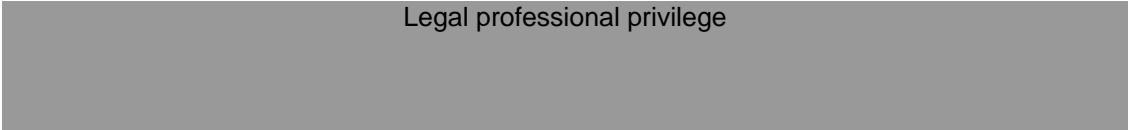
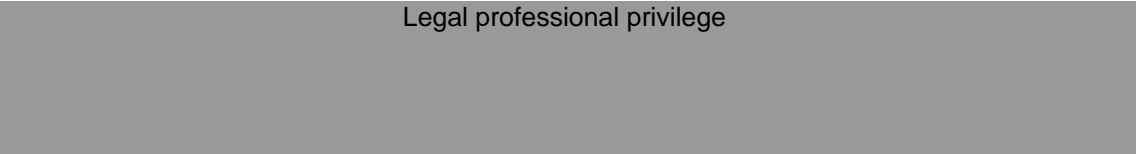
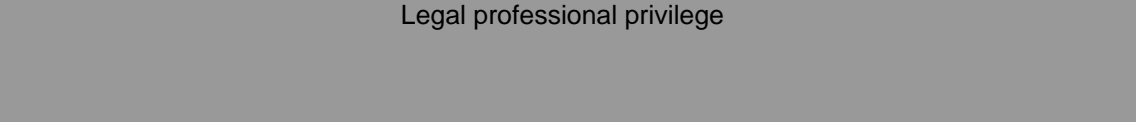
Ministry of Health advice on in-principle decisions sought

Advice on the transfer of health research funding to Research Funding New Zealand

31. The Ministry supports this funding transfer, noting its alignment with Government priorities and its role in advancing the science system reforms.

32. The proposed transfer to a Health and Society pillar within RFNZ presents an opportunity to modernise and better integrate health research with other scientific domains.

Advice on legislative change and approach to funding transfer

33.  Legal professional privilege
34. MBIE's briefing *Future of Health Research Funding* outlines two legislative options: amendment or repeal of the HRC Act and two funding transfer options: a phased transfer that retains sufficient funding for the HRC to meet its statutory obligations until legislation is amended, or deferring the transfer until legislative changes are enacted.
35.  Legal professional privilege
36. The Ministry's view is that this decision should not be made in isolation and consideration of the full implications of the proposed funding transfer on the HRC's ability to fulfil its statutory functions is required.
37.  Legal professional privilege
38. The Ministry has identified the need for further policy work to determine the future of the HRC's statutory functions before confirming whether amendment or repeal is the preferred legislative pathway.
39. This includes giving particular attention to the HRC's non-funding functions, including health ethics oversight, supporting research development, and advising on health research policy.
40. Should the HRC Act be repealed, consideration will be required regarding whether additional legislative changes are needed to support the transition of HRC functions to other entities.

Health research considerations and approach

Opportunities to modernise health research

41. The legislative change required to enable the transfer of health research funding presents a strategic opportunity to modernise and enhance ethics oversight and governance of health research in New Zealand.
42. The Ministry considers it important that the Minister of Health retains strategic oversight of health research, consistent with the existing Memorandum of Understanding.
43. The Ministry considers it essential to retain a role and providing both strategic and operational oversight of health research. This could be achieved through inclusion of

health sector expertise within the Health and Society pillar of RFNZ or via another appropriate mechanism.

44. Further details on the proposed operations of RFNZ and the Health and Society pillar is needed to assess how this oversight role could be effectively maintained.

Recommended functions to retain in the system

45. The Ministry recommends the following functions are retained in the system:
- a. health sector influence over research priorities, aligned with the intent of the health research strategy and responsive to emerging health priorities
 - b. adequate funding for foundational health research, including public health, longitudinal cohort studies and workforce development
 - c. preservation of HRC's statutory functions, including promotion of health research, workforce development, and oversight of health ethics, within the new system.

Proposed consultation

46. The Ministry agrees with MBIE that early consultation with HRC and other health research stakeholders is essential to fully understand the implications of the proposed funding transfer and maintain trust and continuity across the sector.
47. Should Ministers provide in-principle agreement to proceed, the Ministry recommends an initial meeting between the Ministers and Chair of the HRC Board to discuss to the potential impacts of the proposal.
48. Following this initial discussion, the Ministry would further consult with the HRC in partnership with MBIE.
49. The Ministry also plans to engage with other key stakeholders including independent research organisations, Health New Zealand, and Universities New Zealand, to explore the implications for HRC functions.
50. As part of this process, the Ministry will work to identify appropriate homes for the HRC's non-funding statutory functions within existing health regulatory frameworks and legislation, should future decisions determine that the HRC is wound down.
51. Given the potential impacts on statutory functions and sector confidence, this engagement will be carefully managed to ensure transparency, responsiveness to concerns, and alignment with broader system reform objectives.
52. To meet the timeframes that Minister Reti is seeking, a short consultation period could occur between late August and mid-September 2025 so the consultation could inform the September Cabinet paper.
53. If you wished to take a more deliberate approach to consultation, you may wish to raise with Minister Reti the possibility of using the September Cabinet paper to seek in-principle decisions and to authorise a consultation process with HRC and other stakeholders, with final decisions being made following consultation.

Next steps

54. Subject to your in-principle agreement and the consultation steps outlined in this briefing, the Ministry will provide further advice on the proposed pathway, including any process and timelines for reviewing and amending/repealing legislation, and transferring research funding to RFNZ.

**Appendix 1: Memorandum of Understanding: Ministerial Responsibilities
for the Health Research Council of New Zealand**

