RULINGS > PRODUCT | WHAKATAUNGA > WHAKAPUTANGA

Ministry of Education

Issued | Tukuna: 19 May 2026

BR Prd 26/07

The Arrangement is the payment of scholarships by the Pacific Education Foundation to eligible tertiary students under the Tulī Takes Flight Scholarships and Pacific Education Foundation Scholarships programmes. The scholarships are awarded to New Zealand citizens of indigenous Pacific heritage to support their tertiary education in New Zealand. The Ministry of Education funds the scholarships.

To the extent a scholarship payment the Pacific Education Foundation makes to a student under the Arrangement is income, it is exempt income of the student under s CW 36 of the Income Tax Act 2007.

START DATE – END DATE | RĀ TĪMATA – RĀ MUTUNGA
7 July 2025 – 7 July 2030

(THIS TITLE PAGE DOES NOT FORM PART OF THE RULING. | KĀORE TĒNEI WHĀRANGI TAITARA I WHAI WĀHI I TE WHAKATAUNGA.)

Product Ruling | Whakataunga Whakaputanga – BR Prd [26/07]

This is a product ruling made under s 91F of the Tax Administration Act 1994.

Name of person who applied for the Ruling | Ingoa o te tangata i tono i te Whakatau

This Ruling has been applied for by the Ministry of Education (the Ministry).

Taxation Laws | Ture Tāke

All legislative references are to the Income Tax Act 2007 unless otherwise stated.

This Ruling applies in respect of s CW 36.

The Arrangement to which this Ruling applies | Te Whakaritenga i pāngia e tēnei Whakataunga

The Arrangement is the payment of scholarships by the Pacific Education Foundation to eligible tertiary students under the Tulī Takes Flight Scholarships (Tulī Scholarships) and the Pacific Education Foundation Scholarships (PEF Scholarships) programmes. The Ministry of Education funds the scholarships.

Further details of the Arrangement are set out in the paragraphs below.

Background

1) The Pacific Education Foundation (the Foundation) is a body corporate with perpetual succession that was established by the Pacific Education Foundation Act 1972. The purpose of the Foundation is to promote and encourage the better education of Pacific peoples and to provide financial assistance for that purpose (s 5 of the Pacific Education Foundation Act 1972).

2) The Ministry provides the funding to the Foundation for the scholarships. As at March 2026, the Ministry's scholarship funding is $815,000 per year for the Tulī Scholarships and $84,000 per year for the PEF Scholarships. This funding may be increased in later years. The Foundation can use it only for the scholarships.

Tulī Scholarships

3) The Tulī Scholarships programme acknowledges the ongoing importance of education for Pacific families and communities. The scholarships are awarded annually to New Zealand citizens of indigenous Pacific heritage to undertake tertiary education in New Zealand with New Zealand tertiary providers. Scholarships are available for both vocational and degree-level study and training.

4) The Tulī Scholarships for 2027 will range in value from $12,500 to $32,500 per year for each recipient and are awarded for 1, 2 or 3 years in the categories of:

- Continuing Study (vocational and academic) for recipients who have completed at least 1 year of study ($12,500 for undergraduate and $17,500 for postgraduate); and
- Career Changer (vocational and academic) for those who have had at least 12 years' work experience since leaving school ($32,500 per year for both vocational and academic).

5) The value of these scholarships will increase by $500 each year until 2032, when the awards will be capped at a value of between $15,000 and $35,000 per year. The scholarship recipients will always be subject to the eligibility criteria and terms and conditions outlined from [7)] to [9)].

6) Recipients can use the scholarship payments to pay scholarship study fees, as well as living costs (eg, accommodation, transport and childcare) and course-related costs (eg, materials and equipment).

7) To be eligible for a Tulī Scholarship, the applicant must:

- be enrolled or in the process of enrolling in full-time (as defined by Study Link) training or study with a tertiary provider;
- be of indigenous Pacific cultural heritage;
- be a New Zealand citizen or a permanent resident;
- have lived in New Zealand for the last 3 years;
- have completed the National Certificate of Educational Achievement Level 3 (NCEA 3) (or equivalent) and be aged 16 years or over by the time the course starts OR, if they have already left school, be aged 18 years or over; and
- be undertaking the scholarship study in New Zealand at a New Zealand tertiary provider at one of the New Zealand Qualifications Framework levels 4 to 7 or undergraduate, graduate or postgraduate study, up to and including master's level. For this purpose, "tertiary provider" means a university, polytechnic,

wānanga or registered private training establishment that provides tertiary and/or vocational education in New Zealand.

8) In addition to meeting the eligibility criteria above, applicants are assessed on their motivations for applying. These include why they are pursuing tertiary education, their future aspirations, their financial needs, and their expected role and involvement in making their community or region a better place for Pacific peoples.

9) On receiving a scholarship, the recipient must meet the following additional terms and conditions:

- The recipient must pass at least 75% of their scholarship study each semester.
- The recipient may no longer be eligible to receive the scholarship payment if they withdraw from the scholarship study without first obtaining written approval.
- The recipient must provide one induction report and two progress reports to the Foundation for each year of their scholarship period including any official results or academic transcript. They should include an outline of their future career or study plans if the progress report is for their last scholarship payment.
- The recipient must be enrolled with a pastoral care provider at the tertiary organisation they attend.
- The recipient is expected to be involved in ongoing publicity to promote the Tulī Scholarships programme.

10) The recipients are not employed by the Foundation. Apart from having some involvement in ongoing publicity as noted above, recipients are under no obligation to provide any services to the Foundation.

PEF Scholarships

11) The PEF Scholarships are awarded each year to encourage Pacific students into tertiary education. As at January 2026, the scholarships are awarded in two categories:

- undergraduate scholarships of $5,400 each; and
- postgraduate scholarships of $10,400 each.

12) The value of these awards will increase in 2027 to $5,500 and $10,500 respectively. The awards are expected to remain at this value for the foreseeable future. However, the scholarship recipients will always be subject to the eligibility criteria and terms and conditions outlined at [13)] and [14)].

13) To be eligible for a PEF Scholarship, an applicant must be:

- a New Zealand citizen or permanent resident;
- of indigenous Pacific cultural heritage;
- currently enrolled full time in an undergraduate or postgraduate degree programme at a New Zealand-registered tertiary education organisation; and
- involved in their local and, where possible, Pacific community.

14) Applicants are also assessed on their:

- ability to communicate effectively, and their motivations for pursuing tertiary education;
- current qualifications;
- financial or other needs;
- academic success and personal achievement; and
- involvement in and potential leadership of their local or Pacific community.

15) The scholarship payment is made monthly during the scholarship period to assist with the recipients' studies. No reporting or performance conditions are imposed on recipients. However, the recipients are expected to be involved in ongoing publicity to promote the PEF Scholarships programme.

16) The recipients are not employed by the Foundation. Apart from having some ongoing publicity as noted above, recipients are under no obligation to provide any services to the Foundation.

How the Taxation Law applies to the Arrangement | Ko te pānga o te Ture Tāke ki te Whakaritenga

The Taxation Law applies to the Arrangement as follows:

(a) To the extent that a scholarship payment the Foundation makes to a student under the Arrangement is income, it is exempt income of the student under s CW 36.

Period or income year for which this Ruling applies | Te wā, te tau moni whiwhi rānei i pāngia ai e tēnei Whakataunga

This Ruling will apply for the period beginning on 7 July 2025 and ending on 7 July 2030.

This Ruling is signed by me on the 19th day of May 2026.

Luke Schaumkell
Group Lead | Kaihautū ā rōpu

Significant Enterprises | Ngā hinonga hirahira

About this document | Mō tēnei tuhinga

Product Rulings are issued by the Tax Counsel Office and Customer and Compliance Services. Product Rulings set out the Commissioner's view on how tax laws apply to a particular "product" – which is an arrangement that a specified taxpayer is likely to enter into with a number of people on identical terms. Taxpayers who enter into the arrangement described in a Product Ruling may apply the ruling but are not obliged to do so. Product Rulings are binding on the Commissioner. This means that if you are entitled to apply a Product Ruling and you have calculated your tax liability in accordance with the ruling, the Commissioner must accept that assessment. A Product Ruling applies only to the taxation laws and arrangement set out in the ruling, and only for the period specified in the ruling. It is important to note that a general similarity to an arrangement covered by a Product Ruling will not necessarily lead to the same tax result.