Te Tāhuhu o te Mātauranga
Ministry of Education

Report: TREF Phase 1 – new research requirements for investment plans

To:	Hon Dr Shane Reti - Minister for Universities Hon Penny Simmonds - Minister for Vocational Education		
Date:	10/10/2025	Deadline:	20/10/2025
Security Level:	In-Confidence	Priority:	Medium
From:	9(2)(a) General Manager Tertiary Policy (Acting)	Phone:	9(2)(a)
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Why are we sending this to you?

- This paper provides you with advice on initial work to introduce new research requirements for the investment plans tertiary education organisations (TEOs) must develop as part of the Tertiary Education Commission's (TEC's) investment process.
- This paper should be read in parallel with the paper Tertiary Research Excellence Fund (TREF) Phase 1 - options for changes to the External Research Income Component [METIS 1353422 refers].

What action do we need, by when?

- We are seeking your agreement to the overall approach to strengthening the research component of TEOs' investment plans.
- Please return the signed paper by 20 October 2025.

Key facts, issues and questions

- Cabinet has agreed to introduce new research requirements for investment plans to complement the introduction of the TREF. These changes form part of Phase 1 of the TREF reforms.
- A new research component of plans will establish clearer expectations for providers seeking Performance-Based Research Fund (in future TREF) funding, including research objectives and performance, institutional strengths, research activity and outcomes.
- We expect that these requirements will evolve over time, initially focussing on ensuring a clearer focus in the plans on research performance and outcomes and establishing a consistent manner for how this is discussed.
- The TEC is responsible for developing plan guidance and assessment criteria for the introduction of new research requirements in investment plans.

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Alignment with Government priorities

1. This report aligns with the Government's *Going for Growth* agenda which informed the new Tertiary Education Strategy (TES) and recent Cabinet decisions in response to the University Strategy Group. This includes ensuring the higher education sector delivers knowledge, skills and research that will drive productivity and economic growth.

Background

2. On 25 August 2025, Cabinet agreed to replace the Performance-Based Research Fund (PBRF) with the Tertiary Research Excellence Fund (TREF) [CAB-25-MIN-0285 refers]. As part of these reforms, Minister Reti signalled that he would introduce new research requirements for the investment plans providers must develop as part of the TEC's investment process. It was also agreed that these plans would set out how providers will build their research capability and achieve impact in response to the TES priorities.

Investment plans

3. Investment plans are prepared by TEOs on a three-year cycle (or shorter at the discretion of the TEC) to describe their mission and role, how they will give effect to the Government's priorities in the TES and, more generally, the outcomes and activities they will deliver from the funding received under the relevant funding mechanisms (such as TREF).

4. Investment plans play a key part in the funding and accountability settings for TEOs. The process starts with the Government's annual Budget decisions setting out the envelope available for TEC and the funding determinations which enable TEC to allocate funding to individual TEOs. TEOs then submit an investment plan illustrating what they plan to achieve, which is assessed by TEC against publicly released criteria.

5. Over time, TEC funding decisions ensure that a TEO's funding levels reflect how well it is performing in terms of meeting its delivery commitments, learner success commitments, and alignment to national needs as reflected in the TES and in response to stakeholders. In steering the system, TEC makes decisions about the length of plan approval, applying additional funding conditions, adjusting funding to reflect actual demand from learners, and whether to fund changes in a TEO's mix of provision.

6. In June 2025, the TEC provided Ministers with advice outlining the investment plan process [AM-25-00371 refers]. This advice included a summary of how the TEC assesses plans which includes internal assessment, peer review, and review by a panel before recommendations are taken to the TEC Board.

Current research expectations

7. The TEC expects plans submitted by research-based TEOs to explain how they will be:

   7.1. Preparing learners for successful careers, through connecting learners to better employment outcomes and developing work-ready skills;

   7.2. Contributing to a highly skilled workforce to meet business and other needs;

   7.3. Supporting education and research in areas of economic, social, and cultural importance; and

   7.4. Building the future academic and research workforce through postgraduate pathways.

8. This information is used by the TEC to assess the acceptability of the investment plan under the criteria they have published.

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9. While the TEC's current plan guidance includes expectations relating to research and research-led teaching within higher education, it is not a central focus. Current expectations include: information about providers' research intensity and specialisation; generating, applying and transferring knowledge (including through commercialisation); and setting key performance indicators (KPIs) for achievement of PBRF research degree completions (RDC) and External Research Income (ERI).

10. Previous iterations of investment plan guidance have had a greater focus on the role of research just as previous iterations of the TES had a greater focus on the role of research. The current guidance reflects the outgoing TES which placed greater emphasis on other aspects of TEO's roles.

Stakeholder feedback

11. We have engaged with a range of TEOs and their peak bodies for feedback on the introduction of the research component requirement for 2027 investment plans. In general, TEOs have been supportive of this move.

12. University Vice-Chancellors and Deputy Vice-Chancellors Research have expressed enthusiasm for the increased significance of research in the forthcoming TES and by extension, the expectation to more fully articulate their individual research activities and outcomes in their investment plans. One suggestion was that the TEC develop a template for research excellence as currently exists for other investment plan domains.

13. University planning directors suggested plans could include a general overview of a TEO's research capability, its strategic focus, and how this will change and develop over the plan period. Information could be drawn from existing strategic and research plans.

14. Feedback from the Research Directors of Te Pūkenga and six individual polytechnics was also enthusiastic about the opportunity to think about how they could elevate the role of research in the sector as well as to highlight their distinctive institutional characteristics and research activities. Polytechnics could showcase the applied nature of their research and pathways to impact which include access to networks they feel universities do not have.

15. Both universities and polytechnics emphasised the need to avoid any duplication of reporting and minimise compliance costs, and that incentives will be important to increase collaboration, especially between different sectors.

16. Private training establishments (PTEs) accepted the reasoning for the change and feedback was consistent with that from Te Pūkenga and the polytechnics.

17. We have engaged with two Wananga; Te Wānanga o Aotearoa (participates in the PBRF) and Te Wānanga o Raukawa (does not participate in the PBRF). Both stressed the importance of any changes in supporting the unique and distinctive points of excellence of Wānanga rangahau/research. They supported the TREF change of focus from the individual to the collective approach to outcomes. Rather than meeting with officials, Te Whare Wānanga o Awanuiārangi has instead written to Minister Reti outlining their perspective on the PBRF and extending an invitation for Minister Reti to visit them at their Whakatāne campus.

Objectives for change

18. We would like to test Ministers' expectations and objectives for the research component of 2027 investment plans before the TEC proceeds further with the design of its requirements.

19. Over time we consider that a greater focus on research in investment plans has the potential to support a number of objectives:

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19.1. Providing greater transparency around the strategic research plans of universities and other providers, including how they are responding to national research priorities, in a way that can be more readily compared across the system by both the TEC and other interested parties such as MBIE and the Prime Minister's Science, Innovation and Technology Advisory Council (PMSITAC).

19.2. Providing scope for a qualitative assessment of a provider's research plans and aspirations that is strategic and forward-looking (as opposed to the TREF which will allocate funding based on proxies for past research performance). This would also allow the TEC to set expectations about how providers will support research that may not be easily incorporated in TREF measures.

19.3. Broadening the scope of the TEC's engagement with providers, particularly universities, allowing them to build a clearer sense of how they contribute to and integrate with the national research ecosystem, and where there may be opportunities for greater collaboration or coordination.

19.4. The TEC working with MBIE to develop a clearer sense of 'best practice' in areas such as commercialisation and supporting early career researchers that it can promote across the system and use as the basis for its overall assessment of investment plans.

19.5. The potential in future to use the investment system to more actively promote a greater degree of research specialisation or differentiation in the system, or otherwise to incentivise or encourage tertiary providers to align with the broader research priorities developed by PMSITAC.

20. However, investment plans will not be able to achieve all these objectives in the first instance. In our view, a greater TEC focus on research plans should be an evolutionary process that will require building TEC capability and sector credibility on research matters over time. We may also need to consider changes to the TEC's investment levers in future to fully achieve these objectives.

21. In the first instance, we suggest that the TEC focus on strengthening and consolidating the requirements for how research is discussed in investment plans into a **standalone research component for TEOs seeking PBRF/TREF funding**. This will ensure a clearer focus in the plans regarding research performance and outcomes and establish a consistent manner for how it is discussed. The requirements of the research component of the plans would have a bearing on performance monitoring and assessment of a TEO's investment plan but not be a direct determinant of funding.

22. The TEC has tested this approach in its initial engagement with the sector on simplifying investment plans and there was broad support for the approach.

23. Minister Reti has also signalled introducing a new research performance monitoring system for TEOs with the intention of giving greater visibility of the research performance of the sector as a whole [CAB-25-MIN-0285 refers]. The new research requirements for plans will build the groundwork for this future performance system.

Current TEC proposed approach

24. Specific plan requirements are determined independently by the TEC as part of its legislative role in giving effect to the TES. This is achieved through a revised plan gazette notice and is explained in plan guidance, where the TEC sets clear expectations for what they require TEOs to include in their plan.

25. Subject to Ministerial feedback on the overall approach to the research component of investment plans, the TEC is current envisaging that 2027 requirements would start with some basic requirements to establish consistency. This could evolve as final design

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settings for the TREF are agreed, and a clearer understanding emerges on how this qualitative component in plans can best complement other metric-based measures.

26. The new research component is proposed to consolidate the following elements, some of which are already currently required:

    26.1. The TEO's research outcomes and impacts, how they will measure them, and how they will navigate potential barriers and obstacles to achieving them;

    26.2. Institutional strengths and specialisations in fundamental research activity, research-led teaching, and knowledge transfer;

    26.3. Research workforce development and strategies to increase research intensity;

    26.4. Approach to industry collaboration and commercialisation;

    26.5. Engagement with end-users, including industries and employers, iwi, and communities; and

    26.6. International collaboration and partnerships, regional and national collaboration with industry, public research organisations (PROs), and other TEOs in the broader science, innovation and technology sector, including increasing user-led research, and research commercialisation.

27. Over time, these expectations can be refined to reflect how TEOs are responding to the Government's expectations for the science, innovation and technology system, and the advice of the University Strategy Group and PMSITAC. This will enable TEC, in line with the Government's expectations, to steer TEOs further toward a cohesive and collaborative research system that maximises its benefit for learners, end-users and the wider economy.

28. There are 36 TEOs currently participating in the PBRF, all of which differ from each other in terms of their size and scale (especially when comparing universities with non-university TEOs). We expect the TEC will vary the expectations of the research component to be appropriate to the scale and size of research output for different TEOs.

29. For example, it is anticipated that the expectations for polytechnics and institutes of technology, Wānanga and PTEs will differ from that of a university. This is intended to manage the compliance burden of the new expectations while ensuring it adds value. The TEC will also decide whether those TEOs not completing a new plan in 2027 will be asked to submit a plan amendment.

Timing and next steps

30. The TEC will continue to engage with all research-based TEOs as part of the process to develop the TEC's 2026 investment plan guidance and 2027 plan requirements. The TEC's development of revised plan content, assessment criteria, and plan guidance will run in parallel with issuing of the new TES which also requires consultation with the sector and publication in the New Zealand Gazette.

31. Ministers' decisions will inform this work, and the TEC will provide advice on progress in due course. We will also ensure that the final TES reflects Ministers' expectations and look to reinforce these to the TEC via mechanisms such as future letters of expectations.

32. All plans are assessed against criteria which are notified in the New Zealand Gazette and published on the TEC's website in March of each year. Plan guidance is also published in March and Supplementary Plan Guidance (which reflects Budget decisions) is published in June. While refreshed each year, these requirements are based on legislative requirements for plans set out in the Education and Training Act 2020.

33. The TEC will provide you with separate advice on research requirements for investment plans and how it will apply any revised content and assessment criteria. This change will

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be reflected in investment plan guidance issued in March 2026, and take effect for 2027 investment plans.

Recommended Actions

The Ministry of Education recommends you:

a. **agree** that new research content requirements for investment plans for the 2027 investment plan round will apply to those tertiary education organisations currently participating in the Performance-Based Research Fund

Hon Dr Shane Reti	Hon Penny Simmonds
Agree / Disagree	**Agree / Disagree**

b. **agree** that 2027 changes should focus on strengthening and consolidating the requirements for how research is discussed in investment plans, with a view to further developing these requirements over time

Hon Dr Shane Reti	Hon Penny Simmonds
Agree / Disagree	**Agree / Disagree**

c. **indicate** if you would like to discuss the proposed expectations for the research component of investment plans with officials.

Hon Dr Shane Reti	Hon Penny Simmonds
Yes / No	**Yes / No**

Proactive Release:

d. **agree** that the Ministry of Education release this paper once the final design of the new Tertiary Research Excellence Fund has been finalised with any information needing to be withheld done so in line with the provisions of the Official Information Act 1982.

Hon Dr Shane Reti	Hon Penny Simmonds
Agree / Disagree	**Agree / Disagree**

9(2)(a)

A/g General Manager,
Tertiary Policy
Te Pou Kaupapahere
10/10/2025

Hon Dr Shane Reti
Minister for Universities
12/10/2025

Hon Penny Simmonds
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