Te Tāhuhu o te Mātauranga
Ministry of Education

# Report: TREF Phase 2 approach to universities

| | | | |
|---|---|---|---|
| To: | Hon Dr Shane Reti, Minister for Universities | | |
| Cc: | Hon Penny Simmonds, Minister for Vocational Education | | |
| Date: | 29 January 2026 | Deadline: | 16 February 2026 |
| Security Level: | In-Confidence | Priority: | Medium |
| From: | 9(2)(a)<br>Policy Director – Tertiary Policy | Phone: | 9(2 |
| Drafter: | 9(2)(a) | METIS No: | 1354780 |
| Title ok for release? | Yes | | |

## Why are we sending this to you?

- This paper aims to inform your decisions on university Tertiary Research Excellence Fund (TREF) component weightings, which we are scheduled to discuss and confirm with you on 11 February 2026.
- It should be read in conjunction with a parallel paper [METIS 1354500] which provides advice on options for allocating TREF funding for polytechnics, Wānanga and PTEs.
- Decisions on this paper and at the meeting will inform a final round of consultation with stakeholders in February 2026 ahead of final decisions by Cabinet in April 2026.

## What action do we need, by when?

- We are meeting with you to confirm your decisions on the TREF Phase 2 design, metrics component design for universities, and overall TREF component weightings on 11 February 2026.
- Please return the signed paper by 16 February 2026.

## Key facts, issues and questions

- This paper reflects your feedback on advice we provided in December 2025 on high-level approaches to the design of the TREF metrics component for universities [METIS 1353106 refers].
- Officials have developed a tool which models the potential impact of different weightings on sub-sector groups and individual tertiary education organisations (TEOs). We will work through the impacts of different weightings with you on 11 February 2026 using this tool.





Proactively Released

## 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 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 approved your proposals to replace the Performance-Based Research Fund (PBRF) with the Tertiary Research Excellence Fund (TREF) and to strengthen the research component of tertiary education organisations' (TEO) investment plans [CAB-25-MIN-0285 refers].
3. Among other changes, Cabinet agreed that the existing Quality Evaluation (QE) component will be replaced with a new metrics component, to be centred on a citation-based metric and a small number of supplementary metrics, and that modifications to this approach would be considered for polytechnics, Wānanga and private training establishments (PTEs).
4. The change from PBRF to TREF is being implemented in phases:
    a. **Phase 1**: redesign of the External Research Income (ERI) component and changes to the Investment Plan research component.
    b. **Phase 2**: replacing the QE component with the metrics component for universities and a separate metrics component for polytechnics, Wānanga and PTEs, and overall decisions on final TREF design.
5. Phase 1 of the TREF design is complete and will be implemented for 2027.

*Your preferred approach to the metric component design*

6. Advice provided on 4 December 2025 [METIS 1353106 refers] outlined three high level options for Phase 2 of the design of the TREF:
    a. **Approach 1: Efficient allocation of funding**, prioritising low cost and complexity for TEOs and the government
    b. **Approach 2: Incentivising research impact**, prioritising 'system steering' and alignment with the *Going for Growth* agenda
    c. **Approach 3: Comprehensive research coverage**, prioritising accuracy of outcomes and comprehensive coverage of the research system.
7. We understand that your broad objectives for the fund are for a lower cost and complexity solution that incentivises research impact activity and does not create significant funding shocks for any parts of the sector. You have indicated that you would like officials to explore options for universities that include a Field-Weighted Citation Measure (FWCM) alongside commercialisation, policy impact, and Open Access metrics. This is broadly consistent with Approaches 1 or 2.
8. You and Minister Simmonds broadly agreed that the approach for funding polytechnics, Wānanga and PTEs must be simpler and based on different metrics than the universities. A parallel piece of advice provides options for the metrics component for these sectors [METIS 1354500 refers].

*External engagement and advice*

9. Our advice on the universities metrics component approach and options has been informed by the views of the Technical Advisory Group (TAG), initial conversations with the



Proactively Released

main commercial research database providers, and discussions with international research assessment experts including representatives of the Research on Research Institute (led by University College London, United Kingdom), the Centre for Science and Technology Studies at Leiden University (authors of the Leiden Rankings), and the Curtin Open Knowledge Initiative (Curtin University, Australia).

10. A summary of the TAG's advice and advice from engagement is attached as Annex 1.

## Purpose of this advice and approach to decision-making

11. This paper, together with our parallel advice on other provider types [METIS 1354500], is intended to support an in-person meeting with officials on 11 February 2026. The meeting will seek to confirm which components should be included in the TREF and the weightings to be applied to each component.

12. For the meeting, we propose to work through options using a modelling tool that calculates indicative impacts of different combinations of component weightings across tertiary subsectors and individual providers. Given the number of possible combinations, this modelling is not included in this paper, however we have included the impacts of one illustrative scenario at Annex 2. These impacts are based on past research activity and therefore do not reflect behavioural or incentive effects of the new components.

13. To support this discussion, this paper outlines the key factors that we suggest you take into consideration when making these decisions. For each potential component of the fund we have outlined its key benefits and limitations, as well as other considerations that should be taken into account. We also provide advice on other key policy design decisions for each component, particularly where they are relevant to component weightings or the overall design of the TREF.

14. After confirming your preferred approach, we will seek Minister Simmonds' agreement to how the TREF will apply to polytechnics, Wānanga and PTEs.

## Overall considerations

*Level of funding allocation change*

15. You have indicated that one of your objectives for the new TREF design is to maintain funding stability. While it is important to avoid creating shocks in any part of the system, current PBRF distributions are based on the 2018 QE results, which are now nearly a decade old. As such, we do not recommend aiming to replicate current allocations through the new TREF weightings.

16. It is important that your decisions are informed primarily by your policy objectives for the fund, rather than by the immediate financial impacts. There are other ways to limit impacts in the first instance, for example by incrementally increasing the proportion of TREF funding allocated through the new design over a period of years. We can provide further advice on options to smooth funding changes as part of our advice on the final TREF design in March. s9(2)(g)(i)

*Balance of incentives*

17. Your decisions on the component weightings will determine the balance of incentives created by the TREF. A package that relies too heavily on any single metric risks over-rewarding the behaviours that metric captures, rather than the outcomes you are seeking across the



Proactively Released

system. In particular, higher weightings on FWCM and ERI will strengthen incentives for citation-visible research and externally funded research activity, but may also amplify known coverage gaps and discipline impacts.

18. In addition, while the modelling tool shows the distributional impacts of different component weightings at an institutional level, the TREF will also create incentives that operate differently across disciplines because research practices, output types, and data coverage vary. While the TREF is intended to recognise institutional research performance and should not seek to provide a perfect measure of performance for every discipline, it will still influence the extent to which providers choose to support and invest in areas that tend to be advantaged by the selected measures.

19. This is a particular concern for mātauranga Māori research and some forms of Pacific research, where impact is often expressed through community benefit, cultural outcomes, and knowledge stewardship, and where outputs are less visible in bibliometric and related datasets. If these contributions are not appropriately recognised, there is a risk of eroding research capability in these areas over time. This would be inconsistent with the Crown's active protection obligations under Article 2 of Te Tiriti o Waitangi / the Treaty of Waitangi (Te Tiriti) in relation to mātauranga Māori, and would also impact New Zealand's international reputation as a leader in indigenous research.

20. The overall balance of component weightings and the detailed design of each component should therefore seek to mitigate these risks. This includes, where appropriate, using counterbalancing mechanisms (such as subject area weightings within the Research Degree Completions (RDC) component) and ensuring that the TEC's implementation is supported by engagement with Māori and Pacific research communities. Qualitative engagement with providers through the Investment Plan system will also be important to contextualise performance and maintain incentives to support a broad and resilient research system.

*Compliance and operational costs*

21. A metrics-based approach is intended to reduce compliance costs compared with the QE, particularly by avoiding individual-level assessment and the associated reporting burden. However, there will still be operational and system costs, including data licensing or access costs, data matching and assurance, and processes for transparency and verification. Additional compliance costs are most likely where a metric requires provider reporting or validation of output types or where definitions are complex. As we saw with the QE, universities will likely invest additional resource into verifying and optimising data that informs funding allocations. Weighting decisions should therefore take into account both the incentive value of each metric and the costs and complexity of implementing it at scale, particularly in the initial years of transition.

## Field-Weighted Citation Measure

22. Cabinet agreed that a FWCM will be the central element of the metrics component for universities, consistent with the University Advisory Group's advice. A FWCM is a well-recognised measure of academic impact that is likely to produce broadly similar results to the existing QE at an institutional level, with lower compliance costs and less impact on individual researchers.

Proactively Released

23. However, as we have previously outlined [METIS 1353106 refers], a FWCM has limitations that indicate a lower proportion of funding should be attached to this component than under QE (55 percent of total PBRF funding). In particular:

    a. **Incentives**: A FWCM may incentivise research that is more likely to be cited, rather than research aligned with Government priorities, applied outcomes, or local impact. It may also encourage behaviours intended to lift citation counts rather than research quality and relevance.

    b. **Coverage and subject area impacts**: Citation databases have uneven coverage of traditional research outputs, particularly in the arts and humanities. Non-traditional outputs, including many creative, professional, and practice-based research outputs, will not appear in databases at all. In some disciplines, notably in mātauranga Māori and the arts and humanities, but also to some extent engineering and education, research output types that are captured by research databases are not a focus. For example, our initial analysis suggests 50 percent of outputs submitted to the Creative and Performing Arts QE panel would not have appeared in any research database. For those disciplines, a FWCM will be an inaccurate reflection of research performance. s9(2)(g)(i)

    c. **Accuracy**: Outcomes will be affected to some extent by author affiliation and publication date errors, and these could have material funding effects at the provider level. While commercial databases are more accurate than opensource databases, none are error-free, and data cleansing adds cost and complexity.

    d. **Cost and complexity**: A FWCM reduces direct compliance costs compared with the QE, but introduces data, licensing, assurance, and implementation costs for the TEC and providers.

24. The extent of some limitations and design approaches will depend on the data source used for the FWCM, including whether an open-source or commercial dataset is used. While the choice of data source will ultimately be an operational decision for the TEC, we consider a commercial dataset is likely to be most viable option initially, and our advice follows this assumption.

25. The TAG noted that, while open-source data would be preferable in principle, using it for funding purposes would add significant risk and complexity, particularly as New Zealand would be among the first jurisdictions to do so. There may be benefits in transitioning to an open-source data source over time as international practice and data quality mature.

*Impacts of a FWCM*

26. The impacts of a FWCM on funding distribution will depend significantly on both the extent of any behavioural change induced by this funding component and what data source is selected as the basis for the measure.

27. However, based on the commercial Dimensions data source (which currently has the broadest coverage of the commercial data sources), a FWCM would appear to distribute funding on a roughly similar basis to the overall distribution of PBRF funding, with the University of Auckland performing four percent better and Massey University and Victoria University performing 2 percent worse (see Table 1 Appendix 2). It is important to bear in mind that the PBRF results reflect 2018 academic staff numbers, which have decreased at a number of universities since then. s9(2)(g)(i)



Proactively Released

*Recommended approach*

28. Taking these factors into account, we recommend that a **weighting of 25-35 percent for the FWCM** be considered (depending on weightings assigned to other components). This would attach a sufficient value to the FWCM to ensure that it incentivises academic impact and justifies the costs associated with establishing the metric, while limiting the risks associated with its known limitations and allowing a balanced package of measures.

## Further design decisions

29. In addition to the weighting of the FWCM, we would like to seek in-principle agreement to a number of further design decisions for the FWCM. We would then test these as part of our final engagement and confirm these decisions in March for Cabinet approval in April 2026.

*Subject area codes*

30. We recommend the TEC use the Australian and New Zealand Standard Research Classification (ANZSRC) subject area classification for the FWCM. This system has increasing global recognition and uptake and was developed to represent our research system. Use of ANZSRC was strongly endorsed by all eight universities and the TAG as the only viable approach. The system is used elsewhere in the science, innovation and technology (SIT) system (including to implement the new SIT pillars and in the New Zealand Research Information System), and importantly is the only classification system that includes mātauranga Māori and Pacific research subject area codes.

*Recognising mātauranga Māori and Pacific research within the FWCM*

31. As the TAG has noted, compared to the QE, mātauranga Māori and Pacific research will be significantly underrepresented in traditional output metrics relative to other subject areas, and therefore will be disproportionately affected by a metrics-based approach. The TAG has raised concerns that this could be misinterpreted as a lack of research quality or activity, rather than a limitation of the data.

32. While RDC subject area weightings can help maintain incentives to support these areas, mātauranga Māori and Pacific outputs will remain less visible in the metrics component. Without appropriate measures to address this in the FWCM fund design, there is a high risk that Māori and Pacific research capability in universities will be eroded over time. This would be inconsistent with the Crown's active protection obligations under Article 2 of Te Tiriti, and the risk is heightened if decisions are made without engagement with Māori and Pacific research communities.

33. One reason that mātauranga Māori and Pacific outputs are often not as visible in the bibliometric datasets is that relevant ANZSRC subject codes are not consistently applied. Some commercial providers have indicated they are open to addressing this, but it would likely involve additional cost and implementation effort for TEOs and TEC.

34. We recommend you agree in principle that mātauranga Māori and Pacific research are used as distinct subject areas in the FWCM methodology that TEC will develop. This would help ensure this research is appropriately recognised in the FWCM.

35. We will seek specific feedback from the Māori and Pacific research communities on this proposed approach during our planned sector engagement. Once you have made final decisions, TEC will also engage with Māori and Pacific research communities in developing

Proactively Released

the operational design and implementation of the FWCM. This process will help uphold Tiriti obligations and support confidence in the metrics component.

36. We also note that following the publication of the new TES and your joint decisions on Phase 1 of the TREF redesign, TEC's new Investment Plans guidance published in 2025 includes requirements to provide information on how TEOs are supporting mātauranga Māori and Pacific research activity.

*Timing of FWCM exercise*

37. We recommend the TEC calculate the FWCM every year, with funding allocated using a three-year weighted average. This will align with the ERI and RDC calculation and allocation approach and is supported by the universities. More frequent calculation will also send a stronger signal that the metrics component is a 'business as usual' measurement rather than, as the QE had arguably become, a high-stakes objective towards which universities invested significant resources.

*Multi-authored outputs*

38. As noted above, in order to design a lower cost and complexity solution, we do not recommend modifying the FWCM to take into account individual staff factors such as part-time appointment, employment changes, or personal characteristics. However, we do recommend the TEC implement a mechanism for controlling for multi-authored outputs. This is because the modelling shows that the results of an FWCM could be highly distortionary otherwise: a single instance of co-authorship in a massive multi-authored output which is highly cited can create large swings in the data, particularly for smaller universities.

## Commercialisation metric

*Key considerations*

39. You have indicated you would like to include a research commercialisation metric, based on the SCOPR survey results, to recognise and incentivise improved commercialisation performance by universities. This would signal that the TREF should support not only academic impact, but also translation of research into products, services and practices that generate economic and societal value.

40. Sector feedback has raised concerns that a commercialisation metric could privilege certain providers and disciplines, particularly those with more patentable or licensable outputs, and under-recognise other forms of impact such as policy influence, public service outcomes, or community-based innovation. There are also concerns about robustness and comparability, given sensitivity to a small number of high-value transactions and differing institutional strategies.

41. For these reasons, any commercialisation metric should be part of a balanced set of measures, use an aggregated approach drawing on multiple data points, and be weighted at a level that supports the desired direction of travel without creating undue volatility or distorting research priorities. The Ministry of Business, Innovation and Employment's (MBIE) commercialisation outcome measures framework, which is also based on SCOPR measures, could provide a basis for developing the final metric.

42. Compliance costs are expected to be limited because all eight universities already collect and report relevant data in order to participate in the SCOPR survey, although additional



Proactively Released

verification will likely be required given the link to funding. In finalising the metric design, we will work closely with MBIE officials developing the commercialisation outcome measures framework to ensure alignment and the avoidance of unnecessary duplication.

*Impacts*

43. Our initial analysis, summarised in Table 1, Appendix 2, is based on 10 of the 17 SCOPR metrics, excluding those that would duplicate ERI measures, and assigning each metric an equal weighting. This is not how the final design would necessarily operate, but it is sufficient to illustrate the potential distributional impacts at an institutional level. Aggregation of multiple metrics is necessary as individually none of the datasets in each metric are sufficiently large enough to be meaningful.

44. Based on this analysis, the University of Auckland would initially benefit the most from a commercialisation metric, with a 12 percent increase compared to its PBRF allocation. This reflects the institution's relative size and scale of commercialisation activity compared to the rest of the university sector. However, there would also be a 6 percent increase for AUT (likely indicating the advantages of a location in the nation's commercial centre) as well as reductions for the University of Otago and Massey University of 7 and 4 percent respectively. The size of these shifts relative to the other metrics considered in this paper is partly a function of the very small datasets informing these metrics. s9(2)(g)(i)

*Recommended approach*

45. Given the current low scale of commercialisation and resulting lack of robust data, we suggest an initial weighting for this metric of **no more than five percent** of the total TREF, noting that weightings can be adjusted in future review processes. Five percent is $15.75 million based on the fund's current value, so this weighting would nonetheless represent a meaningful investment in this type of research activity. You will be able to explore the impact of different weightings on funding allocations at the live modelling meeting with officials.

## Policy impact metric

*Key considerations*

46. You have also indicated you would like to include a policy impact metric based on grey literature. The universities have indicated they are broadly supportive of such a metric.

47. A grey literature metric would be based on a count of eligible outputs which could include reports, case studies, commissioned research, practitioner guidance, evaluations, and some media publications. A grey literature metric would require very clear output definitions to avoid gaming, but has the advantage of inclusivity. However, a grey literature output does not necessarily directly show impact on policy. Such a metric would likely involve high costs for universities and the TEC in collecting and validating the data.

48. Following further information from the commercial providers, we also consider that a policy citation metric would be viable. All three commercial providers have policy citation measurement tools, which generally track mentions in policy documents produced by local, governmental and non-governmental organisations. Policy citation metrics are limited as measures of the full scope of an output's policy impact because non-academic organisations do not have the same referencing standards as academia. A large amount of research that informs policy will therefore not receive a citation that an algorithm can track. However,



Proactively Released

where citations do exist, it is a measure of direct impact. The data we have seen from the commercial providers is robust enough to inform funding allocations.

49. On balance, we recommend using a policy citation metric and this is what has been included in the modelling tool. While this approach is less inclusive than a grey literature measure, a citation metric is a more direct measure of policy impact, will likely require no additional reporting from the universities, and is additionally less open to gaming than a metric based on a count of output types.

*Impacts*

50. Our modelling suggests that the University of Auckland would initially benefit the most, with a five percent increase while the University of Canterbury and Massey University would be slightly disadvantaged with a two percent decrease each (see Table 1, Appendix 2). s9(2)(g)(i)

*Recommended approach*

51. We recommend a weighting of **no more than 10 percent** of the total TREF, noting again that weightings can be adjusted in future reviews. While there is significantly more data available than the commercialisation metric, we know that the existing data will not represent the full scale of policy impact.

## Open Access metric

*Key considerations*

52. You have indicated you would like to include an Open Access metric centred on 'Green' Open Access. Open Access publication rates can be sourced from both commercial and open-source providers and would likely not require additional reporting from universities.

53. A Green Open Access metric would recognise and incentivise timely deposit of research outputs in repositories, improving accessibility and discoverability of publicly funded research. This supports wider uptake by policy agencies, industry, communities and the public, and aligns with international expectations for open research practices.

54. However, Open Access reflects dissemination practices rather than research quality, impact, or excellence and is influenced by factors such as publisher policies, discipline norms and co-authorship. Strong incentives already exist elsewhere in the system, including MBIE and other funder requirements and international expectations (for example, Horizon Europe). Adding a further metric would increase cost and complexity for the TEC and may create additional costs for universities, particularly if validation or dispute resolution is required. Additionally, Open Access generally only applies to journal articles, so the metric would further concentrate the underrepresentation of arts and humanities and practice-based research.

55. If pursued, the metric would require clear operational definitions and multi-year averaging to ensure comparability and minimise volatility and gaming. This includes specifying eligible output types and qualifying timeframes.

*Impact*

56. Based on the modelling tool, the introduction of an Open Access metric would have only a limited impact on the overall distribution of funding across universities (see Table 1 Appendix 2). This reflects the relatively similar Open Access publication rates across institutions.

Proactively Released

*Recommended approach*

57. Given the relatively similar level of Open Access publication rates across institutions, incentives elsewhere in the system, limitations of Open Access as performance measures, and the cost and complexity associated with adding an additional metric, we **do not recommend** including an Open Access metric in the TREF at this stage.

58. If you do wish to include an Open Access metric alongside the commercialisation and policy impact metrics, we recommend a weighting of less than 5 percent of the total TREF. This would signal the importance of open research practices while limiting the risk of over-weighting a measure that is only indirectly related to research performance.

## Research Degree Completions

*Key considerations*

59. RDC are one of the existing components of the PBRF, currently worth 25 percent of total funding. Cabinet has agreed that RDC will be retained as one of the components of the TREF and will continue to apply to all participating TEOs.

60. RDC measures the number of research degree completions (typically master's by research and doctoral completions) attributable to each provider. It is a proxy for the strength of a provider's research training environment and its contribution to building the pipeline of highly skilled researchers who support innovation, productivity and research capability across the economy and wider society. RDC has the benefit of being well-understood, stable over time, and less susceptible to short-term volatility than metrics based on citations or commercialisation outcomes. It can also support disciplines that do not perform well on other measures such as FWCM or ERI.

61. Limitations of RDC include that it does not directly measure research quality or impact, and can be influenced by provider-specific practices such as enrolment strategies, supervision capacity, and time-to-completion, rather than reflecting research performance alone. It also does not differentiate between research degree completions in priority areas, in areas with strong workforce needs, and good post-study outcomes from completions in other areas.

*Impacts*

62. For universities, RDC funding has a similar distribution to their current PBRF allocations, although the University of Otago receives four percent less relative to its overall PBRF share, as a result of overperforming on QE performance (see Table 2 Appendix 2).

63. This metric will also continue to apply to polytechnics, Wānanga and PTEs, although most receive a relatively small amount of funding from this component. As Table 2, Appendix 2 shows, an increase in the proportion of funding based on RDC in the TREF will tend to reward the Wānanga and to a much lesser extent the PTEs compared to the PBRF, although the small overall size of these institutions' RDC share means the data tend to swing around and so should be treated with caution. The polytechnics would tend to be disadvantaged by any substantial increase in RDC weighting. s9(2)(g)(i)

64. These impacts do not take into account potential changes to subject area weightings, as discussed below.

Proactively Released

*Recommended approach*

65. We suggest that a small increase in the RDC weighting, to a total of **30 to 35 percent**, would help ensure research-led teaching and research training remain supported across disciplines. This increase would also help counterbalance some of the other changes to the TREF, supporting delivery in areas with significant post-graduate delivery, while maintaining a clear signal that building research capability is a core objective of the fund.

### Further design decisions

*RDC subject area weightings*

66. As we have indicated previously, arts and humanities, mātauranga Māori and Pacific research, and creative research outputs are less well represented in bibliometrics. Our initial analysis suggests research databases may capture around 60 to 80 percent of arts and humanities outputs and around 50 percent of creative and performing arts outputs. Mātauranga Māori and Pacific research outputs are also not currently visible as distinct fields because commercial providers do not consistently apply the relevant ANZSRC subject area codes.

67. Our analysis and the advice of the TAG indicate that no other metrics will fully address these gaps. Without counterbalancing mechanisms elsewhere in the TREF, the metrics component is likely to advantage universities with a greater concentration of research in areas with higher bibliometric visibility and commercialisation activity, such as physical and biological sciences and medical research. This may weaken incentives to support breadth of research and research-led teaching and, in relation to mātauranga Māori, could contribute to erosion of Māori research capacity over time, which would be inconsistent with the Crown's active protection obligations under Article 2 of Te Tiriti.

68. You have indicated you are interested in using subject area weightings within RDC to address these gaps. We recommend you agree in principle that subject area weightings will be applied, and we will provide advice on specific weightings in the final TREF advice in March, following further analysis.

## External Research Income

*Key considerations*

69. Cabinet agreed that, as part of Phase 1 of the TREF changes, the ERI component should be redesigned to strengthen incentives for user-funded research income and activity and would continue to apply to all participating TEOs. Cabinet also agreed the ERI weighting should increase from its current 20 percent to further incentivise external research income from all sources [CAB-35-MIN refers]. Consistent with Cabinet's decision, you have agreed increased ERI weightings for non-government contract research and public contract research [METIS 1353422 refers].

70. ERI is a credible and well-understood proxy for research quality and relevance, reflecting external funders' willingness to invest in research. It incentivises engagement with end users, including industry, communities and public agencies, and supports research with clearer pathways to application and impact. It is also relatively stable and scalable, with lower compliance costs than assessment-based approaches.



Proactively Released

71. However, ERI reflects funder priorities, procurement settings and institutional capacity to bid for and manage contracts, so it does not consistently reflect the quality of all research activity. It can advantage disciplines and research types that attract contract or grant funding and under-recognise research that delivers impact through non-financial pathways. If weighted too highly, it may encourage revenue-generating activity at the expense of longer-term capability building, curiosity-driven research, or research that creates value without associated income.

*Impacts*

72. For universities, ERI is distributed somewhat differently from overall PBRF allocations, with the University of Auckland and Lincoln University receiving four and two percent more through ERI than their share of total PBRF funding, while AUT receives four percent less.

73. This metric will also continue to apply to polytechnics, Wānanga and PTEs, although overall they receive a relatively small component of this funding. As a result of their much smaller overall share of the fund, single grants can create large swings in the data, as Table 2 Appendix 2 shows. The Wānanga receive more than double the ERI relative to their overall PBRF allocation, but this is the result of a single large three-year grant. However, we would note that the polytechnics in particular will be disadvantaged by any large increase in the ERI weighting, as they report very low levels of ERI and historically most of their PBRF allocation has been based on their performance in the QE component. s9(2)(g)(i)

*Recommended approach*

74. Given your objectives, the ERI redesign decisions already agreed, and the changes proposed elsewhere in the fund, we suggest a weighting range of **25 to 35 percent** for the ERI component. This increase would signal the heightened importance of growing external research income and activity that supports economic impact, while continuing to support and incentivise research quality, performance and research-led teaching. A weighting within this range also helps balance the stronger incentive effects that will arise from the expanded metrics component.

## Next Steps

75. You are scheduled to meet with officials from the Ministry of Education and MBIE on 11 February 2026. The purpose of the meeting is for you to determine the weightings you would like to proceed with for each of the TREF components for universities and for non-universities. The template attached as Appendix 3 is designed to record your decisions.

76. To support your decision-making, Ministry of Education officials will demonstrate, using the live modelling tool, the effects on funding distributions of any combination of weightings you wish to explore.

77. Following the meeting, officials will meet with Minister Simmonds to get her feedback on the proposals and your preferences as they relate to polytechnics, Wānanga and PTEs only, with a view to landing joint in-principle decisions.

*Further stakeholder engagement*

78. Officials recommend that Ministers' decisions in response to this paper and the accompanying advice on other providers [METIS 1354500] are tested with the sector to



Proactively Released

ensure that all relevant considerations have been surfaced and there are no unintended consequences. This would occur, depending on feedback, in the last week of February and first week of March 2026.

79. Consultation will take place in the form of a document outlining the high-level design approach to the TREF and your proposed weightings. It will include design matters that are properly TEC operational concerns such as the FWCM data source and design, so that the sector has the opportunity to raise any specific concerns. However, the document will be clear that the detailed TREF design will be developed by the TEC following further sector engagement.

80. Following sector consultation, we intend to seek final decisions on the overall TREF design from you in March ahead of Cabinet. We will seek detailed design decisions required to enable finalisation of the TREF Funding Determination following Cabinet's final decisions in April. Sector consultation on the Funding Determination in June will provide further opportunity for sector feedback.

| **Timeline for 2026 advice** | **Approximate Date** |
|---|---|
| Detailed proposals (this paper and METIS 1354500) | 29 January 2026 |
| Discussion with Minister Reti | 11 February 2026 |
| Stakeholder engagement | ~ 18 February to 6 March 2026 |
| Final decisions paper | Mid-March 2026 |
| Draft Cabinet paper for approval | Early April 2026 |
| Ministerial consultation | Early to mid-April 2026 |
| Economic Policy Committee | ~22 April 2026 |
| Cabinet | 27 April 2026 |

## Annexes

Annex 1: Summary of Technical Advisory Group advice and external engagement

Annex 2: Comparison of PBRF with TREF component impacts

Annex 3: TREF Financial implications model

Annex 4: TREF component weightings decisions template

Proactively Released

## Recommended Actions

The Ministry of Education recommends you:

a. **note** that this report is intended to inform a discussion with officials on 11 February 2025, using a modelling tool to test the impact of decisions on TREF components and their weighting.

b. **note** that TEC's new Plan Guidance includes expectations that PBRF-funded TEOs outline how they will support mātauranga Māori and Pacific research activity, reflecting the new TES and your Phase 1 decisions on research plans.

c. **indicate** in Annex 3, following discussion with officials, your in-principle decisions on TREF components and their weighting.

**Yes / No**

d. **agree in principle**, subject to final stakeholder engagement, that:

i. the FWCM will use ANZSRC subject area codes

**Agree / Disagree**

ii. the FWCM design and funding methodology will recognise mātauranga Māori and Pacific research outputs to be reported on as discrete subject area fields

**Agree / Disagree**

iii. the FWCM should be calculated annually using a three-year weighted average

**Agree / Disagree**

iv. the FWCM should include a mechanism to address multi-authored outputs

**Agree / Disagree**

v. the policy impact metric will be a measure of research output citations in policy documents

**Agree / Disagree**

vi. subject area weightings will be applied to the RDC component to address coverage gaps for arts and humanities, creative and performing arts, mātauranga Māori and Pacific research

**Agree / Disagree**

e. **agree** that officials will test these overall settings via a final round of stakeholder engagement prior to finalising decisions for Cabinet approval.

**Agree / Disagree**

Proactively Released

**Proactive Release:**

f. **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.

**Agree / Disagree**

9(2)(a)

Hon Dr Shane Reti

**Policy Director**

**Te Pou Kaupapahere**

**Minister for Universities**

29/01/2026

2/2/2026

Proactively Released

Proactively Released

# Annex 1: Summary of Technical Advisory Group advice and external engagement

## Technical Advisory Group advice

1. The Technical Advisory Group (TAG) was convened on 15 September 2025 to provide the Ministry with technical advice on the design of the metrics component as it relates to universities. Chaired by an independent Chair, Professor Kath McPherson, the nine members included Australian Research Council officials as well as New Zealand academics and research management professionals. Members were appointed based on their expertise and not as representatives of their organisations.
2. The TAG has provided its final advice to the Ministry. The key points which have informed our advice at this stage of the design process are:
    a. While the TAG endorses the principles of open research, it believes that a commercial database is the most viable option for now, as it provides stability, accuracy, and credibility with the sector. The TAG considers a bespoke FWCM will be too compliance-heavy to be viable. However, the group has concerns about commercial capture, cost, and a lack of transparency and flexibility, and believed a commercial solution is not aligned with global best practice and the accelerating shift toward open research. It therefore supports moving towards an open source approach in the longer term.
    b. Ensuring non-citation research is adequately recognised is a critical criterion for the TREF, notwithstanding the inherent limitations of a metric-based approach to research assessment. The group is particularly concerned that mātauranga Māori, Pacific research, and creative arts research risk being disadvantaged both in terms of the allocation of funding and in terms of the visibility of this research. In relation to the first issue, the TAG endorses a lower weighting for the metric component and using subject area weightings in the Research Degree Completion (RDC) component in recognition of those limitations.
    c. Australian and New Zealand Standard Research Classification (ANZSRC) fields of research should be used to assign subject areas to research outputs for the purposes of calculating the FWCM. ANZSRC fields are widely used and recognised in the New Zealand research sector, are required by other government agencies (notably MBIE), and it is the only current schema that enables specific recognition of mātauranga Māori and Pacific research.
    d. Members of the TAG recommend exploring further how mātauranga Māori and Pacific research could be recognised and made visible, noting that using ANZSRC fields may enable visibility of traditional research outputs but will not address the underlying inequities of a metrics-only approach for those subject areas.
    e. The TAG considers that the FWCM should be calculated annually, using a three-year rolling assessment window. This approach strikes the best balance between funding responsiveness and stability, and aligns with the External Research Income (ERI) and RDC calculation timings.
    f. The potential complementary metrics all have limitations as proxies for research quality and performance. While this is particularly the case for mātauranga Māori, Pacific research, and arts and humanities research, the TAG notes that these limitations apply

Proactively Released

for all research areas. The TAG advises that with that caveat, it supports a policy impact metric based on grey literature. However, it also recommends further consideration be given to developing a kaupapa Māori metric.

g. Reported outcomes must be properly contextualised to avoid misinterpretation. The TAG notes that there are a range of different audiences for this data, including government agencies, TEOs, the research community, and the general public. Summary reporting for public accountability should sit alongside more granular quantitative reporting that will enable stakeholders to carry out their own analysis, as well as qualitative reports that could also draw on the research components of Investment Plans. Given the metric component will have a disproportionately negative impact on Māori and Pacific research, careful and nuanced reporting will be critical to ensure that the lack of visibility is not misinterpreted as an intrinsic lack of quality research outputs.

3. The TAG has provided more detailed advice relating to specific operational aspects of the FWCM design. We will consider this advice as we develop further advice for you following Cabinet's decisions, and we expect that TEC will also draw on this advice as officials implement the detailed metrics component design.

## Advice from international research assessment experts

4. As we noted in our previous advice, we have met with representatives of the Research on Research Institute (RORI) led by Professor James Wilsden (University College London), and with CWTS Leiden, who produce the Leiden Rankings [METIS xxx refers]. Since that advice, we have also met with Professor Cameron Neylon, founder of the Curtis Open Knowledge Initiative at Curtin University (COKI), along with the current director. COKI worked closely with the Australian Research Council on the most recent ERA redesign prior to its cancellation, and had developed a research assessment tool based on OpenAlex and other open source data. RORI, CWTS Leiden, and COKI are collectively at the forefront of global research on, and development of, research assessment mechanisms and metrics. It is important to note that CWTS Leiden and COKI also provide research assessment services.

5. The advice of all three groups was remarkably consistent. They all view open source databases such as OpenAlex as the likely future of research assessment, and were all clear that they expect OpenAlex to rapidly improve its accuracy and data quality. All three told us that there are drawbacks to using a commercial database, including cost, commercial capture, and likely legal complications relating to necessary data-sharing with the universities.

6. However, they also acknowledged that at present there is no sufficiently robust open source database available given the results of the FWCM will be used to allocate funding. Representatives of RORI and CWTS Leiden indicated they would advise developing a parallel open source-based FWCM alongside a commercial database and shifting fully to an open source FWCM when OpenAlex or another provider is sufficiently mature.

7. None of the three groups were able to suggest alternatives to the potential complementary metrics considered by the TAG and officials. Based on this, we are satisfied that we have identified all currently viable options.

Proactively Released

Te Tāhuhu o te Mātauranga
Ministry of Education

# Annex 2: Comparison of PBRF with TREF component impacts

Table 1: Universities only comparison of FWCM and potential complementary metrics with PBRF

| University | % share of total PBRF (2025) | % share of FWCM (based on Dimensions) | Difference to PBRF share | % share of commercialisation (based on SCOPR) | Difference to PBRF share | % share of policy citations (Dimensions) | Difference to PBRF share | % share of Open Access | Difference to PBRF share |
|---|---|---|---|---|---|---|---|---|---|
| University of Auckland | 30% | 34% | +4% | 41% | +11% | 35% | 5% | 32% | 2% |
| Auckland University of Technology | 7% | 8% | +1% | 13% | +6% | 6% | -1% | 8% | 1% |
| University of Waikato | 5% | 6% | +1% | 4% | -1% | 6% | 2% | 5% | 0% |
| Massey University | 13% | 11% | -2% | 9% | -4% | 11% | -2% | 13% | 0% |
| Victoria University of Wellington | 12% | 10% | -2% | 12% | 0% | 11% | -1% | 10% | -2% |
| University of Canterbury | 8% | 9% | +1% | 8% | -1% | 6% | -2% | 9% | 1% |
| Lincoln University | 3% | 3% | 0% | 1% | -2% | 4% | 1% | 3% | 0% |
| University of Otago | 19% | 19% | 0% | 12% | -7% | 21% | 2% | 21% | 2% |

Proactively Released

Table 2: RDC and ERI comparison with PBRF by university and subsector

| University | % share of PBRF funding (2025) | % share of RDC | Difference to PBRF share | % share of ERI | Difference to PBRF share |
|---|---|---|---|---|---|
| University of Auckland | 30% | 31% | 1% | 34% | 4% |
| Auckland University of Technology | 7% | 8% | 1% | 4% | -3% |
| University of Waikato | 5% | 5% | 0% | 4% | -1% |
| Massey University | 13% | 13% | 0% | 11% | -2% |
| Victoria University of Wellington | 12% | 12% | 0% | 13% | 1% |
| University of Canterbury | 8% | 10% | 1% | 7% | -1% |
| Lincoln University | 3% | 2% | -1% | 5% | 2% |
| University of Otago | 19% | 15% | -4% | 21% | 2% |
| Total | 96.5% | 96.7% | 0.2% | 98.7% | 2.2% |
| **Non-universities subsector** | **% share of PBRF funding (2025)** | **% share of RDC** | **Difference to PBRF share** | **% share of ERI** | **Difference to PBRF share** |
| Polytechnics | 2.6% | 1.9% | -0.7% | 0.58% | 2% |
| PTEs | 0.5% | 0.5% | 0.1% | 0.3% | -0.2% |
| Wānanga | 0.4% | 0.9% | 0.5% | 0.5% | 0.1% |
| **Total** | 3.5% | 3.3% | -0.2% | 1.4% | -2.1% |

Proactively Released

# Annex 3: TREF Financial implications model

Our model takes different choices about metrics and weightings and allows us to understand how funding will change at an individual TEO level compared to the PBRF status quo.

## Assumptions used in this example:

This example uses a medium sized FWCM for universities supported by a commercial metric and a policy mentions metric, alongside ERI and RDC.

The polytechnic, Wānanga and PTE model assumes the same level of overall funding to this grouping is maintained, and distributes funding under a capacity metric, as well as ERI and RDC.

| Metric | Applies to | Weighting | Dollars |
|---|---|---|---|
| **FWCM** | Universities only | 28% | $ 87.780 m |
| **Commercial** | Universities only | 5% | $ 15.750 m |
| **Policy Mentions** | Universities only | 10% | $ 31.500 m |
| **Open Access** | Universities only | 0% | $ 0 |
| **Degree completions** | Non-universities only | 0% | $ 0 |
| **Research Capacity** | Non-universities only | 2% | $ 6.719 m |
| **RDC** | All | 25% | $ 78.750 m |
| **ERI** | All | 30% | $ 94.500 m |
| **TOTAL** | | **100%** | **$ 315 million** |

## Overall impact by subsector

| | PBRF | TREF | $ change | % change |
|---|---|---|---|---|
| **Universities** | $ 304.042 m | $ 304.042 m | N/C | 0% |
| **Polytechnics** | $ 8.155 m | $ 7.524 m | - $ 0.631 m | - 8% |
| **Wānanga** | $ 1.312. m | $ 1.943 m | $ 0.631 m | 48% |
| **PTEs** | $ 1.491 m | $ 1.492 m | N/C | 0% |

### Caveats

This model is based on a range of historical data sources which may not be the most up to date reflection of sector performance. In addition, sector validation of performance data may lead to changes that have flow-on funding implications.

| | Organisation | PBRF | TREF | $ change | % change |
|---|---|---|---|---|---|
| Universities | University of Auckland | $ 93.724 m | $ 103.846 m | $ 10.121 m | 11% |
| | University of Waikato | $ 15.425 m | $ 15.874 m | $ 0.449 m | 3% |
| | Massey University | $ 39.449 m | $ 35.078 m | - $ 4.371 m | - 11% |
| | Victoria University of Wellington | $ 36.695 m | $ 36.007 m | - $ 0.689 m | - 2% |
| | University of Canterbury | $ 26.609 m | $ 24.898 m | - $ 1.711 m | - 6% |
| | Lincoln University | $ 9.428 m | $ 10.536 m | $ 1.108 m | 12% |
| | University of Otago | $ 60.927 m | $ 56.727 m | - $ 4.200 m | - 7% |
| | Auckland University of Technology | $ 21.783 m | $ 21.076 m | - $ 0.707 m | - 3% |
| Polytechnics | Unitec | $ 2.755 m | $ 2.432 m | - $ 0.324 m | - 12% |
| | Ara Institute of Canterbury | $ 0.537 m | $ 0.520 m | - $ 0.017 m | - 3% |
| | Eastern Institute of Technology | $ 0.679 m | $ 0.701 m | $ 0.021 m | 3% |
| | Wellington Institute of Technology | $ 0.219 m | $ 0.187 m | - $ 0.033 m | - 15% |
| | UCOL | $ 0.185 m | $ 0.144 m | - $ 0.041 m | - 22% |
| | Manakau Institute of Technology | $ 0.406 m | $ 0.305 m | - $ 0.102 m | - 25% |
| | Nelson Marlborough Institute of Technology | $ 0.187 m | $ 0.159 m | - $ 0.027 m | - 15% |
| | Northland Polytechnic | $ 0.045 m | $ 0.056 m | $ 0.011 m | 24% |
| | Otago Polytechnic | $ 1.221 m | $ 1.178 m | - $ 0.043 m | - 4% |
| | Whitireia Community Polytechnic | $ 0.368 m | $ 0.329 m | - $ 0.040 m | - 11% |
| | Western Institute of Technology | $ 0.043 m | $ 0.032 m | - $ 0.011 m | - 25% |
| | Waikato Institute of Technology | $ 0.964 m | $ 0.942 m | - $ 0.022 m | - 2% |
| | Open Polytechnic | $ 0.139 m | $ 0.166 m | $ 0.027 m | 19% |
| | Toi Ohomai Institute of Technology | $ 0.407 m | $ 0.376 m | - $ 0.031 m | - 8% |
| PTEs | ICL Education Limited | $ 0.026 m | $ 0.028 m | $ 0.001 m | 5% |
| | Media Design School Limited | $ 0.160 m | $ 0.110 m | - $ 0.051 m | - 32% |
| | NZ College of Chiropractic | $ 0.274 m | $ 0.202 m | - $ 0.073 m | - 26% |
| | Whitecliffe College of Arts and Design | $ 0.499 m | $ 0.446 m | - $ 0.053 m | - 11% |
| | AIS St Helens | $ 0.087 m | $ 0.100 m | $ 0.013 m | 15% |
| | Soshi Gakuen NZ (IPU New Zealand) | $ 0.057 m | $ 0.077 m | $ 0.020 m | 35% |
| | Laidlaw College | $ 0.138 m | $ 0.175 m | $ 0.037 m | 27% |
| | NZ Tertiary College | $ 0.005 m | $ 0.013 m | $ 0.007 m | 144% |
| | Bethlehem Institute of Education | $ 0.107 m | $ 0.146 m | $ 0.039 m | 37% |
| | Good Shepherd College – Te Hepara Pai | $ 0.031 m | $ 0.063 m | $ 0.032 m | 104% |
| | Baptist Union of New Zealand (Carey Baptist) | $ 0.107 m | $ 0.134 m | $ 0.027 m | 25% |
| | Te Wānanga o Aotearoa | $ 0.724 m | $ 0.776 m | $ 0.052 m | 7% |
| | Te Whare Wānanga o Awanuiārangi | $ 0.587 m | $ 1.167 m | $ 0.579 m | 99% |
| | **TOTAL** | $315.000m | $315.000m | | |

Proactively Released

# Annex 4: TREF component weightings decisions template

## Current PBRF component weightings

| Component | Weighting | Value |
|---|---|---|
| Quality Evaluation | 55% | $173,250,000 |
| Research Degrees Completions | 25% | $78,750,000 |
| External Research Income | 20% | $63,000,000 |
| Total | 100% | $315,000,000 |

## Record of TREF component weighting decisions

| **All participating TEOs** | | |
|---|---|---|
| **TREF component** | **Weighting** | |
| Research Degrees Completions | | |
| External Research Income | | |
| **Universities only** | **Weighting** | |
| Field-weighted Citation Measure | | |
| **Potential complementary metrics** | **Include** | **Weighting** |
| Policy citation metric | Y/N | |
| Commercialisation metric | Y/N | |
| Open Access metric | Y/N | |
| **ITPs, wānanga, and PTEs only** | | |
| **Potential metrics** | **Preferred metric** | **Weighting** |
| Research output metric | **Y/N** | |
| Research staff capacity | **Y/N** | |
| Degree completions | **Y/N** | |

Proactively Released