

**TEU****TERTIARY EDUCATION UNION**
TE HAUTŪ KAHURANGI

Submission of

Te Hautū Kahurangi | Tertiary Education Union

to the

Ministry of Education

on the

Consultation on Tertiary Funding Determinations

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1. INTRODUCTION

- 1.1. Te Hautū Kahurangi | Tertiary Education Union (TEU) is the largest union and professional association representing 12,000 academic and general/allied staff in the tertiary education sector (in polytechnics, universities, wānanga, private training establishments, and rural education activities programmes).
- 1.2. We welcome the opportunity to respond to the Consultation on Tertiary Funding Determinations.

2. PREAMBLE

- 2.1. The context within which this consultation is taking place is one where our tertiary education sector continues to endure a long-term pattern of chronic underfunding. The \$315 million Performance-Based Research Fund pool has been carried forward unchanged as the starting point for the new Tertiary Research Excellence Fund, and Budget 2026 provided no new research funding for the sector.
- 2.2. Across the funding determinations under consultation, the majority of funding rates for 2027 show no increase at all in nominal terms. Given ongoing inflation, static nominal rates represent a real-term cut, thereby failing to even maintain the status quo.
- 2.3. The implications of static research funding are wide-ranging. Sustained underinvestment erodes Aotearoa New Zealand's ability to retain research staff and train the next generation, and the quality of research itself is diminished. Additionally, staff are stretched and have less time for rigorous, thoughtful work, funding pressures push people toward safer and quicker topics over ambitious ones, and researchers are incentivised to take their expertise overseas.
- 2.4. We urge the Government to address this underlying underfunding directly, rather than continuing to redesign funding mechanisms around a static pool of funding. Any endeavour to lift research quality and build capacity across the sector should start with a genuine increase in investment, not yet another way of dividing up the same amount of investment.
- 2.5. Our submission covers each of the funding determinations under consultation with a focus on the Tertiary Research Excellence Fund. Recommendations specific to each determination are included throughout.

3. TERTIARY RESEARCH EXCELLENCE FUND

A two tier system

- 3.1. We are concerned that the design of TREF risks entrenching existing disparities in research funding between universities and other tertiary education organisations. Universities are assessed across five of the six funding components, representing 97.5% of the fund's total weighting. Non-university TEIs – polytechnics, wānanga, and private training establishments (PTEs) – are, by default, assessed on only three components, with the Research Capacity component (2.5% of the total fund) the only funding stream reserved exclusively for them.
- 3.2. While we recognise that universities and non-university TEIs have difference research profiles, we are concerned that the current design does not provide polytechnics and wānanga with a realistic pathway to a more equitable share of research funding. Polytechnics and wānanga may opt in to compete on the components applied to universities (Field-Weighted Citation Measure, Commercialisation, and Policy Impact), but these components rely on citation output, commercialisation revenue, and policy impact – measures that inherently favour institutions with established, well-resourced research profiles. Without additional support, this opt-in pathway is unlikely to be a genuine option for polytechnics and wānanga.
- 3.3. We also note that the Research Capacity component is not reserved for public polytechnics and wānanga alone – PTEs are also eligible to draw on this same 2.5% pool. This further dilutes an already narrow funding system, and raises a broader concern about the direction of public research investment: PTEs are private, often for-profit providers, and we are concerned that channelling scarce public research funding into an undifferentiated pool shared with the private training sector will subsidise private providers with public money, at the expense of the public institutions this funding is intended to support.
- 3.4. **We make the following recommendations:**
 - 3.4.1. **That the TEC pair the opt-in pathway with meaningful transitional support – including funding and capacity-building assistance – to allow interested non-university TEIs to build a genuinely competitive research profile over time, rather than leaving opt-in as a nominal option unsupported in practice.**
 - 3.4.2. **That the Research Capacity component's 2.5% funding share be reviewed and increased, recognising that it remains the only dedicated funding stream for non-university TEIs that do not opt in,**

and that it should properly reflect the value of research and knowledge exchange activity undertaken outside the university sector.

- 3.4.3. **That the Research Capacity component be reserved for public polytechnics and wānanga.**

Field-Weighted Citation Measure and Disciplinary Bias

- 3.5. The Field-Weighted Citation Measure (FWCM) comprises 30% of the total fund. We are concerned that citation-based measures of research quality disadvantage certain fields and forms of scholarship, regardless of field-normalisation. Citation databases typically under-represent humanities and social science scholarship, which is cited more slowly and at lower volumes than STEM research; under-index non-English-language publications; and are poorly equipped to capture mātauranga Māori scholarship, which is often published in forms not well served by mainstream citation indexes.
- 3.6. We acknowledge that the proposed design includes a mechanism to address distortionary effects from multi-authored outputs, and uses ANZSRC subject-area codes as a basis for field classification. However, neither of these measures addresses the underlying issues of language and disciplinary indexing bias described above.
- 3.7. **We recommend that, before implementation, TEC commissions an independent review of its chosen citation database and methodology to assess the extent of field, language, and indexing bias, and that TEC develop and publish a specific discipline-normalisation approach that responds to these findings, in consultation with the tertiary sector.**
- 3.8. Without this, the FWCM component will systematically undervalue humanities, social science, and mātauranga Māori research relative to STEM disciplines, independent of the actual quality or impact of that research.

Commercialisation and Policy Impact

- 3.9. The Commercialisation and Policy Impact components, worth 7.5% and 5% of the TREF respectively, narrow the definition of valuable research towards outputs that are commercially exploitable or directly cited in government and policy documents.
- 3.10. Much valuable research does not lend itself to commercialisation or policy citation, including basic and foundational research, critical and public-good

scholarship, and long-term work whose value may not be apparent for many years. A funding model that structurally rewards commercial and policy-usable outputs will discourage institutions and researchers from pursuing this kind of work, regardless of its academic or public value, simply because it does not register on these particular measures.

- 3.11. We recommend that the Commercialisation and Policy Impact components remain a modest proportion of total TREF funding, and that any future proposal to increase their weighting be subject to full consultation with the sector, given that further doing so would narrow what Aotearoa New Zealand's tertiary research system is incentivised to produce.**

Research Capacity Component: Staff Eligibility

- 3.12. The Research Capacity component only counts staff on salaried contracts of at least one year at a minimum of 0.2FTE, excluding casualised and short-term research staff from an institution's funding calculation. There is an opportunity in this design: because institutions have a financial incentive to maximise the proportion of staff time counted under this component, the eligibility threshold could be used to encourage the conversion of casualised research staff onto more secure, longer-term contracts.
- 3.13. We recommend that TEC design the "substantive contribution to research and/or knowledge exchange" (paragraph 40a) in a way that rewards institutions for growing the number of staff who meet the eligibility threshold, rather than simply concentrating research time within an existing pool of already-permanent staff. Structured this way, the Research Capacity component could become a genuine tool for improving job security for research staff at non-university TEIs, rather than a measure that simply excludes casualised staff from recognition without addressing the underlying precarity.**

External Research Income Weighting: Public Sector Contract Research

- 3.14. From 1 January 2026, the weighting applied to public sector contract research within the External Research Income component increases from 1 to 3, while government contestable funding remains weighted at 1. Because ERI comprises 25% of TREF, this is a significant change to the incentive structure governing institutional research income.
- 3.15. This weighting change creates a strong institutional incentive to prioritise government-commissioned contract research – where a government agency

funds specific research for its own purposes – over investigator-led, contestable, or open research priorities. This reinforces a pattern already present in the Commercialisation and Policy Impact components of TREF, steering institutional research effort toward externally commissioned, immediately applicable work at the expense of open and public-good research.

3.16. Additionally, government contract research is often shorter-cycle and deliverable-driven; a shift toward this income type will result in more research staff employed on fixed-term positions tied to specific government contracts, rather than in roles supporting longer-term, researcher-initiated research programmes.

3.17. We recommend that TEC review the appropriateness of this weighting change ahead of TREF's implementation, and consult with the sector on its effect on research income strategy and workforce composition before extending or embedding it further within TREF from 2029.

Equity and Strategic Weighting Stacking

3.18. Paragraph 30c provides for an equity weighting of 2 to be added to the subject-area weighting for completions by Māori or Pacific researchers, and a strategic weighting of 4 to be added for completions entirely in Te Reo Māori. The clause lists these as options separated by “or,” but does not make clear whether a completion that qualifies for both may receive both weightings cumulatively, or whether only one may be applied.

3.19. We recommend that this ambiguity is resolved before the determination is finalised, given the material difference it makes to funding outcomes for the institutions and researchers concerned.

Research Degree Completion Component: Subject-Area Weighting Methodology

3.20. The Research Degree Completions component assigns funding multipliers ranging from 1.0 to 4.0 across different subject areas, directly determining how much funding an institution receives per completion in a given field. No methodology or rationale is provided for how these weightings were determined. A completion in a subject weighted at 4.0 is worth four times the funding of a completion in a subject weighted at 1.0, yet the basis for this differential is entirely unexplained. This lack of transparency is a significant gap in a determination with real financial consequences for institutions and, by extension, for decisions about which fields of research are institutionally prioritised.

- 3.21. **We recommend that the TEC publish the methodology and evidence base underpinning these weightings, and that any future changes to the weighting table be subject to consultation with the tertiary sector.**

4. ADULT AND COMMUNITY EDUCATION (ACE)

Subcontracting

- 4.1. TEU opposes the proposed change to subcontracting oversight in the ACE funding determination.
- 4.2. The current requirement – that any subcontracting of funded ACE activity requires TEC’s prior written approval – is a low-cost safeguard pertaining to quality provision and accountability. ACE subcontracting arrangements are where employment conditions for delivery staff are most likely to be weakest, and where the public has the least visibility into how Crown funding is actually being used. A blanket approval requirement is not onerous; it simply ensures TEC sees every arrangement before it proceeds.
- 4.3. The proposed change would replace this with a threshold set by TEC’s own future criteria. However, the precise criteria have not been included as part of this consultation. We do not support removing an oversight mechanism of this type, particularly when the proposed alternative is undefined and potentially much narrower.
- 4.4. **We recommend that the blanket prior-approval requirement in paragraph 28 be retained in its current form, and that paragraph 27 be removed.**

5. DELIVERY AT LEVELS 1 AND 2 ON THE NEW ZEALAND QUALIFICATIONS AND CREDENTIALS FRAMEWORK

Health and safety and regulatory compliance learning

- 5.1. Regarding paragraph 29 – and given DQ1-2 includes Trades qualifications where safety training is often an inseparable part of the curriculum – we accept that a rigid rule barring any funding for programmes with substantial health and safety content risks excluding genuinely valuable vocational education.
- 5.2. However, the proposed test of whether content is “part of broader occupational or technical skill development” and “supports transferable industry-wide skills” is left entirely to TEC’s discretion, with no defined threshold or published criteria. In a capped funding environment, an undefined discretionary test creates a risk that

low-value, employer-specific compliance training could be funded on the basis of a loose characterisation as “skill development.”

- 5.3. **We recommend that the TEC publish clear criteria for applying this exception before it takes effect, and that these criteria be developed in consultation with the tertiary sector.**

6. DELIVERY AT LEVELS 3 TO 7 (NON-DEGREE) ON THE NEW ZEALAND QUALIFICATIONS AND CREDENTIALS FRAMEWORK

Health and safety and regulatory compliance learning

- 6.1. Regarding paragraph 34 which pertains to health and safety and regulatory compliance learning, our position is the same as outlined above with regard to paragraph 29 of the DQ1-2 funding determination. Our recommendation is reiterated below.

- 6.2. **We recommend that the TEC publish clear criteria for applying this exception before it takes effect, and that these criteria be developed in consultation with the tertiary sector.**

Programmes: clinical placements and practicums

- 6.3. We support the notion that learners enrolled in qualifications requiring a clinical placement or practicum should have a reasonable expectation of being able to complete that placement as part of their study.
- 6.4. However, we have two key concerns regarding the proposal to ensure TEC has a stronger mechanism to address the issue of under-placed programmes.
- 6.5. Firstly, securing clinical placements depends heavily on the capacity of external host sites – including hospitals, health boards, and other clinical settings – which is shaped by workforce and funding pressures outside any TEI’s control. The work of sourcing, managing, and maintaining these placement relationships falls to placement coordinators, clinical liaison staff, and often academic staff, and this proposed condition increases the compliance burden on those roles without any corresponding funding for the additional capacity required to meet it.
- 6.6. **We recommend that the TEC commits to ensuring this condition will be accompanied by funding for dedicated placement-coordination capacity, recognising that enforceable placement-security obligations are unworkable without resourcing the staff responsible for meeting them.**

6.7. Secondly, we think it is important that clause 55b be interpreted reasonably – TEC must recognise good-faith effort, established partnerships, and demonstrated processes for securing placements, particularly given placement outcomes depend on the capacity of third parties such as Te Whatu Ora or industry sites. Without such reasonable interpretation, we are concerned that TEIs may respond to this condition by capping enrolments in affected qualifications as a risk management measure, including nursing, midwifery, and allied health where Aotearoa New Zealand already faces workforce shortages.

6.8. **We recommend that TEC engage directly with relevant host sector agencies to establish a shared whole-of-system commitment to placement capacity, rather than placing sole accountability on training providers for a supply-side constraint they do not fully control.**

7. DELIVERY AT LEVELS 7 (DEGREE) TO 10 ON THE NEW ZEALAND QUALIFICATIONS AND CREDENTIALS FRAMEWORK

Health and safety and regulatory compliance learning

7.1. Regarding paragraph 35 which pertains to health and safety and regulatory compliance learning, our position is the same as outlined above with regard to paragraph 29 of the DQ1-2 funding determination. Our recommendation is reiterated below.

7.2. **We recommend that the TEC publish clear criteria for applying this exception before it takes effect, and that these criteria be developed in consultation with the sector.**

Doctoral study

7.3. We seek clarification on this condition before being able to assess its impact. The clause states that the TEC “must reduce the funding provided” for this cohort, using each TEI’s 2024 enrolments as the basis for the reduction. This is inconsistent with the Ministry’s own summary document, which describes the measure as one that “limits the growth” of these enrolments. A funding reduction and a cap on growth are materially different outcomes, and we request that the Ministry confirm which is intended, as well as disclose the methodology by which the reduction will be calculated relative to the 2024 baseline.

7.4. We note the Ministry’s stated rationale is that this measure is “an interim measure ahead of developing a new model for international PhD funding.” However, this explains the timing of the change, not the substance of it; it does not address why a reduction (rather than, for example, maintaining current settings) is necessary

as the interim approach, nor why 2024 was selected as the baseline or what assessment has been made of the impact on research and supervision capacity. For example, where a TEI chooses to enrol additional international PhD students without tuition subsidy, the number of candidates requiring supervision does not decrease, even though funding supporting that supervisory capacity does. This would shift supervision onto existing staff as unfunded or under-resourced workload, rather than reducing the overall demands placed on the research workforce.

- 7.5. This cohort makes a significant contribution to research group staffing across the sector, and the underlying subsidy has underpinned a deliberate long-term investment in building Aotearoa New Zealand's international research capability. A reduction benchmarked to a three-year-old enrolment baseline risks undermining exactly the kind of research-led teaching and workforce development the tertiary funding system is meant to support.
- 7.6. While TEIs may enrol additional learners in this cohort without tuition subsidy, this shifts the cost either onto the institution or the student, undermining the point of these learners' domestic-equivalent fee eligibility.
- 7.7. **We recommend that this measure not proceed until the Ministry has clarified its intent and provided a fuller rationale, and that any future model for international PhD funding be developed in consultation with the sector.**

Programmes: clinical placements and practicums

- 7.8. Regarding paragraph 50 which pertains to requirements to ensure clinical placements and practicums, our position is the same as outlined above in the response to the funding determination for delivery at levels 3 to 7. Our recommendations are reiterated below.
- 7.9. **We recommend that the TEC commits to ensuring this condition will be accompanied by funding for dedicated placement-coordination capacity, recognising that enforceable placement-security obligations are unworkable without resourcing the staff responsible for meeting them.**
- 7.10. **We recommend that TEC engage directly with relevant host sector agencies to establish a shared whole-of-system commitment to placement capacity, rather than placing sole accountability on training providers for a supply-side constraint they do not fully control.**

8. LITERACY AND NUMERACY PROVISION

Learner eligibility

- 8.1. Regarding paragraphs 28c and 53c, we welcome the provision allowing learners whose disability prevents them from being assessed using the LNAAT to still access funded literacy and numeracy provision. This is a sensible, learner-protective measure that avoids excluding learners from support on the basis of an assessment tool that may not be appropriate for their circumstances.

9. PERFORMANCE-BASED RESEARCH FUND

Freezing of Quality Evaluation

- 9.1. We are concerned that the Quality Evaluation component of the PBRF, which determines 55% of research funding, is permanently frozen on assessment data from 2018 for the remainder of the fund's operation. Academic staff who have joined the sector, changed research fields, or developed as researchers since 2018 receive no recognition in this component, regardless of their actual current research contribution.
- 9.2. **We recommend that TEC make specific provision for affected staff during the transition to the TREF, to ensure that research activity and development since 2018 is not permanently excluded from recognition.**

10. CONCLUSION

- 10.1. Our submission raises concerns across each of the funding determinations under consultation, ranging from specific drafting issues to broader concerns about equity, research quality, and workforce security.
- 10.2. These issues sit within a wider pattern of chronic underfunding across the tertiary sector. Most funding rates are held static in nominal terms, and no new investment underpins the redesign of the TREF.
- 10.3. We urge the Government to prioritise genuine investment in tertiary education and research, rather than continuing to reallocate a static pool of funding.

11. ABOUT TEU

11.1. The TEU actively acknowledges Te Tiriti o Waitangi as the foundation for the relationship between Māori and the Crown. We recognise the significance of specific reference to Te Tiriti in the Education Act and the emergent discourse resulting from this. We also accept the responsibilities and actions that result from our nation's signing of the UN Declaration on the Rights of Indigenous Peoples.

11.2. The TEU expresses its commitment to Te Tiriti by working to apply the four whāinga (values) from our *Te Koeke Tiriti* framework as a means to advance our TEU Te Tiriti relationship in all our work and decision-making – with members and when engaging on broader issues within the tertiary sector and beyond – such as our response to the Consultation on Tertiary Funding Determinations:

Tū kotahi, tū kaha – We are strong and unified; we are committed to actions which will leave no-one behind; we create spaces where all people can fully participate, are fairly represented, and that foster good relationships between people.

Ngā piki, ngā heke – We endure through good times and bad; we work to minimise our impact on the environment; we foster ahikā – the interrelationship of people and the land, including supporting tūrangawaewae – a place where each has the right to stand and belong.

Awhi atu, awhi mai – We take actions that seek to improve the lives of the most vulnerable; we give and receive, acknowledging that reciprocity is fundamental to strong and equitable relationships; and we work to advance approaches that ensure quality public tertiary education for all.

Tātou, tātou e – We reach our goals through our collective strength and shared sense of purpose, which are supported through participatory democratic decision-making processes and structures.

11.3. Our response to the Consultation on Tertiary Funding Determinations stems from our commitment to the whāinga expressed above and our wish to see these enacted in the tertiary education sector and in our society and communities.