



## COVERSHEET

<b>Minister</b>	Hon Judith Collins	<b>Portfolio</b>	Science, Innovation and Technology
<b>Title of Cabinet paper</b>	The Science System Advisory Group and the University Advisory Group	<b>Date to be published</b>	20 May 2024

<b>List of documents that have been proactively released</b>		
<b>Date</b>	<b>Title</b>	<b>Author</b>
March 2024	The Science System Advisory Group and the University Advisory Group	Office of the Minister for Science, Innovation and Technology  Office of the Minister for Tertiary Education and Skills
March 2024	Terms of Reference: To establish the Science System Advisory Group and the University Advisory Group	MBIE, MOE
20 March 2024	The Science System Advisory Group and the University Advisory Group  ECO-24-MIN-0030 Minute	Cabinet Office

### **Information redacted**

**YES / NO** (please select)

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

Some information has been withheld for the reason of Confidential advice to Government.

**In Confidence**

Office of the Minister for Science, Innovation and Technology

Office of the Minister for Tertiary Education and Skills

Cabinet Economic Policy Committee

**The Science System Advisory Group and the University Advisory Group**

**Proposal**

1 This paper outlines our intention to direct relevant agencies to convene a:

1.1 Science System Advisory Group, and

1.2 University Advisory Group

**Relation to government priorities**

2 This government has a goal of rebuilding and growing New Zealand’s economy, with a focus towards boosting productivity.

3 The goal of government investment in science is the production and use of valuable new knowledge and technology, with the aim of growing New Zealand’s economy. In particular:

3.1 There is a proven connection between science, innovation and technology, and economic growth and productivity.

3.2 New Zealand’s low levels of research and development (R&D) is a main actionable explanation for our weak economic growth and falling productivity.

4 Despite significant government investment via our seven Crown Research Institutes, eight universities, Callaghan Innovation and other research-intensive organisations, not enough of our science is being commercialised in a way that drives economic growth. This has to change.

5 Confidential advice to Government

**Executive Summary**

6 Our public research system, Crown Research Institutes and universities, faces enduring structural challenges that get in the way of it delivering value to New Zealand. The system is fragmented, with poor visibility of the effectiveness of current investments, and suffers from duplication, inefficiency, and poor use of resources.

- 7 Although most types of tertiary education providers are facing financial pressure, the university sector is collectively forecasting a deficit for the first time on the Tertiary Education Commission record, for the 2024 financial year.
- 8 This situation presents an opportunity to consider broader and longer-term challenges for higher education, particularly universities, alongside the science, innovation, and technology system.
- 9 This paper outlines our intention to direct agencies to convene two new agency advisory groups to address system issues – namely a:
- 9.1 Science System Advisory Group, and
  - 9.2 University Advisory Group.
- 10 While the advisory groups will operate independently of one another, both will be chaired by Professor Sir Peter Gluckman, who will draw connections between the two as appropriate.
- 11 The extent of the problems identified within both systems in means that it would be surprising if the advisory groups did not recommend fundamental change.

## Background

- 12 On 7 February 2024 we presented an oral Cabinet item, expressing the intention to direct agencies to convene two advisory groups to further investigate issues across the science, innovation and technology, and the university systems, namely a:
- 12.1 Science System Advisory Group, and
  - 12.2 University Advisory Group (the UAG).
- 13 Each advisory group will provide a report on their respective systems, in line with their respective terms of reference. Their work will be independent of, but supported by the Ministry of Business, Innovation and Employment, Ministry of Education, and Tertiary Education Commission as appropriate.
- 14 The terms of reference for the Science System Advisory Group are provided at Annex One, and for the UAG at Annex Two.
- 15 The membership of both groups will include an appropriate range of perspectives, expertise, and experience to reflect the importance and broad scope of their work.
- 16 The university and science, innovation and technology systems are tightly connected given the role that universities in particular play in:
- 16.1 attracting and developing talent that contributes to the capability of both systems
  - 16.2 housing research capability and infrastructure
  - 16.3 performing research and fostering innovation.

- 17 While the advisory groups will operate independently of one another, both will be chaired by Professor Sir Peter Gluckman, who will draw connections between the two as appropriate.
- 18 The benefits of drawing connections between the work of the two advisory groups include the potential to shape opportunities that span both systems, and an increased awareness of how changes in one system could impact on the other.

**System issues and priorities**

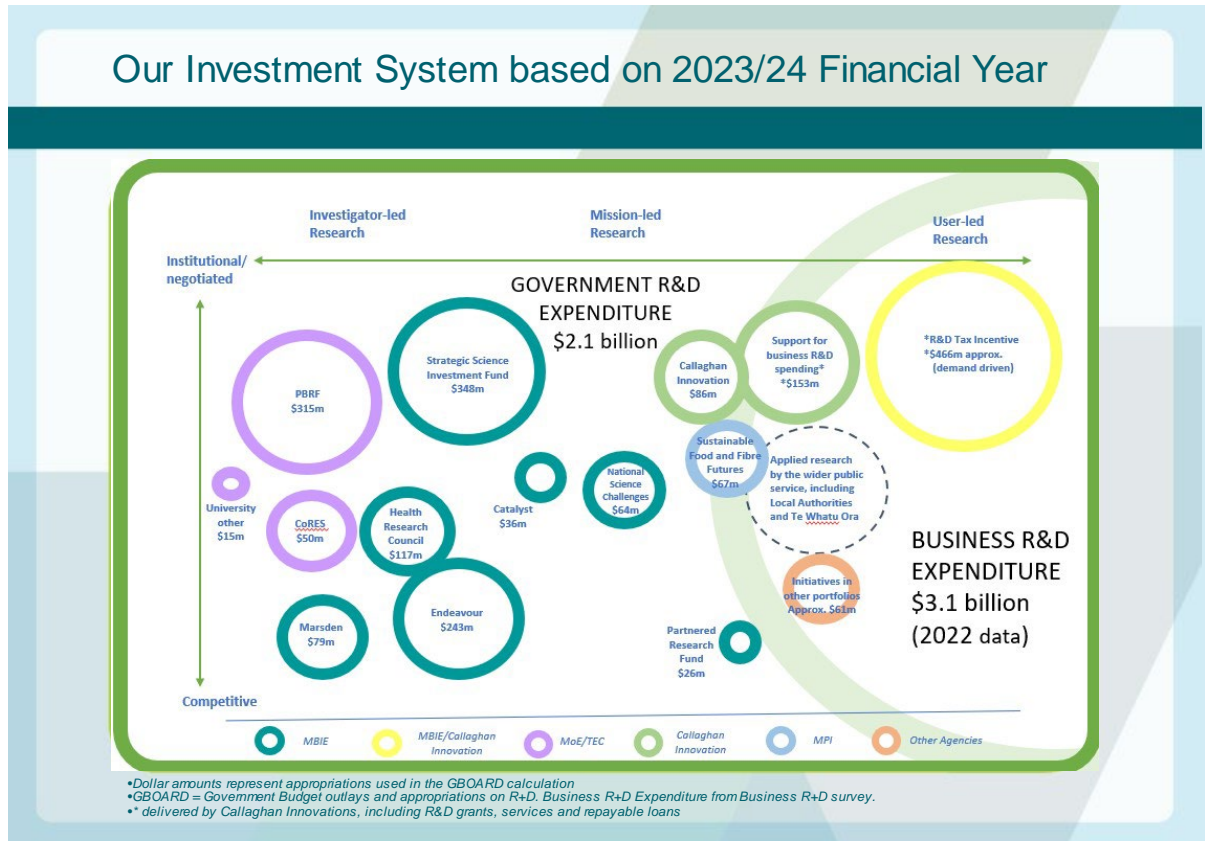


Figure 1: Overview of Government R&D Expenditure for the 2023/24 Financial Year

**Science, innovation & technology system issues**

- 19 Our public research system faces enduring structural challenges that get in the way of it delivering value to New Zealand. The system is fragmented, with poor visibility of the effectiveness of current investments, and suffers from duplication, inefficiency, and poor use of resources. An overview of Government expenditure in research and development is provided in Figure 1.

20 Confidential advice to Government

- 21 Problems are evident across the following key issues:
  - 21.1 The lack of system-wide focus on driving economic growth. Too little of our science is commercialised into innovative products and services. And too little of our investment is focused on the advanced technology first world countries are taking seriously for their growth; for example, AI, biotechnology, quantum, advanced aviation, and space technology.
  - 21.2 Poor integration between research organisations. Many of our Crown Research Institutes have overlapping focus areas, for example, most of them are doing freshwater research in some capacity. This leads to unnecessary and wasteful competition for research funding and reduces collaboration.
  - 21.3 It lacks focus and delivers smaller results across many areas, rather than doing fewer things well. This drives overall inefficiency, reducing system effectiveness and the impact of our research.
  - 21.4 New Zealand, as a small, advanced economy, relies on leveraging international partnerships for science, innovation and technology, including to access capital.
  
- 22 The Science System Advisory Group will provide advice to support the Government’s commitment to rebuilding New Zealand’s economy by enabling a thriving system that:
  - 22.1 is cost-effective and delivers value for the investment that the Government makes in science, innovation and technology during times of fiscal constraint, by reducing fragmentation and increasing its efficiency
  - 22.2 enhances innovation and accelerates the shift towards a knowledge-based, diversified economy
  - 22.3 adapts to, and makes good of opportunities provided by a rapidly evolving global research landscape and emerging technologies
  - 22.4 leverages more innovative methods to bring in capital, including the use of public-private partnerships
  - 22.5 draws on lessons learnt by international jurisdictions, including Ireland and Singapore
  - 22.6 drive seconomic growth through stronger pathways to commercialising research.

23 Confidential advice to Government

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23.4 Confidential advice to Government

**The University System**

- 24 The Government is committed to maintaining a thriving higher education system for the benefit of all New Zealanders. Higher education – generally defined as education offered at degree level and above – is a key contributor to New Zealand’s economic performance, our ability to grow and innovate, and achieving better social outcomes.
- 25 Universities are a significant contributor to the research produced in New Zealand and support the skills pipeline by training much of New Zealand’s research workforce.
- 26 They also house most our country’s science capability in medicine, engineering, advanced technologies, aerospace and digital technology, and are critical to New Zealand’s delivery of science, innovation and technology.
- 27 The university sector is currently facing major financial pressure. It is noteworthy that for 2024, five out of the eight universities are forecasting a deficit.
- 28 In 2023, the Ministry of Education conducted initial scoping to inform terms of reference for a review, using a funding-based lens to examine higher education with engagement focussing mainly on universities. This work highlighted several areas where funding and related levers could be used to strengthen system performance.
- 29 These areas included the emergence of new and changing approaches to higher education and network delivery, funding to support excellence and equitable outcomes for all learners, and better alignment with the science, innovation and technology system.
- 30 In the current fiscal environment, it is important to know that we are getting the best possible outcomes from our investment. We expect that the outcomes of the Group’s work will provide opportunities to improve efficiency in the university sector rather than increase funding.
- 31 It is important then that we take the opportunity to consider our current arrangements, particularly in relation to funding, alongside broader and longer-term challenges for our universities. A parallel process with the Science System Advisory Group allows important connections to be made with the science, innovation, and technology system.
- 32 The exploratory nature of the UAG’s work compared to that of the Science System Advisory Group reflects the different starting points of these review processes. The UAG’s work is intended to support us to understand the key problems and challenges in universities.
- 33 The Group will do this by drawing on expertise held by members, the Ministry of Education and the Tertiary Education Commission, as well as consultation with the sector and other stakeholders, to ensure we have a clear and informed sense of key issues and pathways for the higher education sector. Although UAG will commence

at the same time as the Science System Advisory Group, it will begin at a slower pace to allow the Chair time to first establish the Science System Advisory Group.

- 34 Maintaining funding for research is essential as it supports not only research in higher education but also contributes to productivity and delivers on skills for wider society. The Performance-Based Research Fund (PBRF) is the connection point between the science, innovation and technology and the university system as well as the main way in which research in the wider higher education system is funded.
- 35 It is expected that the Group will use the results of the Ministry's previous scoping exercise to inform their initial thinking and engagement on the PBRF in providing their advice.

## Responsibilities

### Science System Advisory Group

- 36 The Science System Advisory Group will be responsible for delivering an independent report outlining its recommendations to MBIE. It's first report will be provided in June 2024, followed by a final report in October 2024.
- 37 The first report will determine a set of principles and make recommendations that we can consider and plan to action quickly. It will address:
- 37.1 institutional arrangements
  - 37.2 the structure of funding and how funding is bid for, allocated and used
  - 37.3 advanced technology and commercialisation
  - 37.4 the role of Government as a funder and commissioner of science, and
  - 37.5 workforce and connectedness.
- 38 The final report will provide recommendations for longer-term changes to the science, innovation and technology system that will ensure the effective operation of the system in coming decades.
- 39 The recommendations from the final report are likely to inform a more substantive programme of change that, subject to Cabinet agreement, will be delivered over the following two years.
- 40 The extent of the problems identified with the science system in New Zealand means it would be surprising if the advisory group did not recommend significant changes.
- 41 These could include structural changes to our CRIs, structural changes to drive efficiency and effectiveness in the government organisations which fund science (MBIE, the Health Research Council, and the Royal Society), and the creation of new organisations, policies, and funding tools.
- 42 We will have the opportunity to consider the group's recommendations on the science system when they are made in October and choose the scale of change we think is justified.

- 43 If we do consider such large-scale reform to the science system is justified, the legislative change needed to support it could be progressed during the 2025 parliamentary year, with policy work proceeding alongside, for implementation in late 2025.

**The University Advisory Group**

- 44 The UAG will have a focus on universities, but recognise the relevance for other tertiary education organisations, such as Te Pūkenga (and its future form), Wānanga and some private training establishments.
- 45 The UAG will provide advice on a wide range of topics and consider, among other things, the effectiveness of the funding system in supporting the delivery of high-quality provision, and the effectiveness of universities to provide excellence in teaching and research for the benefit of New Zealand. The UAG will look at funding policy settings, including funding mechanisms, incentives, and the role of international education.
- 46 As universities receive the vast majority of PBRF funding, the UAG's work will include consideration of this Fund. This will likely see changes to the way PBRF is structured, assessed and allocated. As a result of the inclusion of the PBRF in this work, the Minister for Tertiary Education and Skills has directed the Tertiary Education Commission to stop preparations for the next PBRF Quality Evaluation (QE) round, planned for 2026.
- 47 This decision will be communicated to the tertiary education sector following announcement of the UAG. Timing for a new QE round will not be known until UAG completes its work. Until then the TEC will continue to fund participating tertiary education organisations based on the results of the 2018 QE.
- 48 The UAG will be responsible for delivering an independent report in two parts setting out its advice to the Ministry of Education.
- 48.1 Phase One will identify key challenges facing the university system and opportunities for the future direction as well as providing high level principles for the university system, including funding and initial proposals for changes to the PBRF.
- 48.2 The second report will propose levers and policy changes for government and the sector to consider for the future direction of the university system.
- 49 The outcome of these reports may see changes in the way in which the PBRF is implemented and potentially the future of the fund. The exact nature of these changes will be determined following further policy work and in consultation with the sector as required under the Education & Training Act 2020.
- 50 Following the Group's final report, the Ministry of Education, in consultation with the Minister for Tertiary Education and Skills, will determine which recommendations to take forward, conduct detailed policy development and consider the wider implications of the Group's recommendations for the rest of the higher education funding system. It is expected this work will commence from March 2025.



## Financial Implications

- 51 Both agencies will fund their respective group from existing departmental baselines.
- 52 We are committed to getting the very best commercialisation from our R&D investment to grow the New Zealand economy. These groups will support with enabling this.

## Legislative Implications

- 53 There are no legislative implications to this proposal.
- 54 As previously noted, it is likely that the advisory groups may make recommendations for fundamental systemic change. In this case, legislative changes may be required down the line.

## Impact Analysis

### Regulatory Impact Statement

- 55 A Regulatory Impact Analysis is not required.

### Climate Implications of Policy Assessment

- 56 A Climate Implications of Policy Assessment is not required.

## Population Implications

- 57 Directing agencies to convene these advisory groups does not immediately have implications for any population.
- 58 Perspectives of a range of communities will be engaged with throughout the development of the reports.

## Use of external Resources

- 59 Secretariat support for the Science System Advisory Group will be provided by Kōi Tū: The Centre for Informed Futures at the University of Auckland. Relevant secretariat services for the UAG will be provided by the Ministry of Education and the Tertiary Education Commission.

## Consultation

- 60 This paper has been developed by the Ministry of Business, Innovation and Employment in consultation with the Ministry of Education and the Tertiary Education Commission.

## Communications

- 61 Subject to Cabinet's agreement we intend in March 2024 to announce:
- 62 the Science System Advisory Group, including release of the terms of reference and names of members.
- 63 The University Advisory Group, including release of the terms of reference and the name of the Chair, and that the Ministry of Education is in the process of appointing members.
- 64 Details of the announcements will be coordinated across our offices.
- 65 Following the announcements, we will communicate to all participating tertiary education organisations the direction to stop preparations on the next PBRF Quality Evaluation exercise, planned for 2026. This includes universities, Te Pūkenga, and Wānanga. The Tertiary Education Commission will communicate the detailed implications of this decision to Co-Moderators, Co-Chairs, Panellists and other parties already contracted.

## Proactive Release

- 66 We intend to release this paper in accordance with the guidance in Cabinet Office Circular CO (18) 4.

## Recommendations

- 67 The Minister for Science, Innovation and Technology, and the Minister for Tertiary Education and Skills recommend that the Committee:
- 68 **note** our intention to direct our respective Ministries to convene a Science System Advisory Group, and a University Advisory Group.

**note** the Terms of Reference for the Science System Advisory Group.

**note** the Terms of Reference for the University Advisory Group.

- 69 **invite** the Minister for Science, Innovation and Technology, and the Minister for Tertiary Education and Skills to report back on the recommendations of the advisory groups.

Hon Judith Collins

Minister for Science, Innovation, and Technology

Hon Penny Simmonds

Minister for Tertiary Education and Skills

## Appendix one: Science System Advisory Group Terms of Reference

# Terms of Reference Science System Advisory Group

## Purpose

1. MBIE is convening a Science System Advisory Group (the Group) to develop a set of evidence-based recommendations to strengthen the science, innovation and technology system and ensure its future success.
2. This document sets out the Terms of Reference for the Group.

## The aspiration

3. The Government is committed to building a thriving science, innovation and technology system (the system) that delivers growth for New Zealand's economy, environment and society by:
  - Driving innovation and accelerate the shift towards a knowledge-based, diversified economy.
  - Developing innovative solutions to emerging challenges such as climate change, biodiversity loss, and sociological change.
  - Adapting to, and making good of opportunities provided by, a rapidly evolving global research landscape.
  - Enhancing Government's effectiveness through the use scientific data, knowledge, and new technologies.

## The challenges

4. The systematic issues limiting the performance of the system include:
  - **Funding:** The adequacy, sustainability and balance of funding in areas of national and system importance, and effectiveness of funding mechanisms.
  - **Research infrastructure:** Uneven access to research facilities and equipment, hindering research progress and collaboration.
  - **Regulatory frameworks and incentives:** These may not be conducive to the most effective management of research and research innovation or commercialisation.
  - **System inefficiencies and fragmentation:** The system experiences inefficiencies, such as excessive managerialism, complex funding mechanisms, fragmented research efforts, and limited collaboration between different stakeholders.
  - **Workforce:** Career pathways are uncertain, diversity is limited, Māori and Pacific Peoples are under-represented and under-served, and there are difficulties in attracting and retaining the best talent.

- **Competition:** Competition between research organisations limits collaboration and benefit to New Zealand.
- **Industry:** co-ordination across government and industry needs strategic redevelopment, Industry co-operation and support is not well positioned to adapt to emerging markets (for example, India).
- **International:** New Zealand, as a small country, needs to exploit international partnerships in both research and innovation (including access to capital). International science funding is largely ad hoc and not co-ordinated across government to assist diplomatically.

## Function, scope and approach

### Function

5. The purpose of the Group is to provide strategic recommendations to MBIE on options to improve the effectiveness and impact of New Zealand's science, innovation and technology system, as informed by the aspirations and systemic challenges described above.

### Scope

6. Except where noted below, the Group may consider any matters within New Zealand science, innovation and technology system that are relevant to the completion of its reports.
7. The following areas are out of scope:
  - The Research and Development Tax Incentive, as a statutory independent evaluation is mandated by Parliament for the coming calendar year.
  - The planned Biotechnology Regulator, given the highly specific and technical issues involved.
8. The Group will be connected to, but is not responsible for, a parallel review into aspects of higher education including the future of the Performance-Based Research Fund and related incentive structures.
9. The Group is not required to produce fully costed options or completely detail any structural arrangements necessary to achieve the recommendations presented.

### Approach

10. The work of the Group will proceed in two phases. The first phase will be completed by 31 June 2024, the second by 30 October 2024.
11. Phase 1 will determine a set of principles, provide preliminary advice on the topics of focus as set out below, and recommendations that can be considered and actioned quickly.

12. Phase 2 will continue to address the topics of focus but provide final recommendations and longer-term changes that would ensure the effective operation of the system in coming decades.

### **Topics of focus**

13. The Group will provide advice on the following topics of focus.

#### ***Institutions***

- What are the appropriate functions, scopes and structures of Crown Research Institutes and other Crown-owned research organisations to ensure they are better placed to deliver impact for New Zealand?
- What is needed to effectively deliver science services of ongoing importance to New Zealand, such as national monitoring systems for weather and geohazards, national surveys, national databases and collections?
- How can the research contributions of universities be strengthened within the overall science system?

#### ***Funding***

- What sort of mechanisms could be established to identify funding priorities?
- What could be done to improve the effectiveness of our funding mechanisms?
- How can the funding system better serve under-represented and under-served communities, such as Māori and Pacific Peoples, and increase diversity within the science, innovation and technology workforce?
- What is an appropriate balance of funding between:
  - Areas of system importance? For example, competitions, short versus longer term contracts, institutions, workforce initiatives, infrastructure, and commercialisation.
  - Areas of national importance? For example, sectors, science disciplines, wicked problems.

#### ***Advanced technology and commercialisation***

- What form should Government's investments in advanced technology take?
- How can we strengthen and grow commercialisation pathways?
- How can we strengthen our ability to take advantage of opportunities around eResearch? This should consider the future of our High Performance Computing infrastructure and the role of artificial intelligence.
- How can we improve the role and function of Callaghan Innovation? What role and function do industry, incubators, and other government agencies, for example, NZTE play in this?

### ***Government as a commissioner, funder and user of science***

- How can Government most effectively prioritise and commission science where it is the main user of the outputs?
- How could public funders of science, innovation and technology be best configured?

### ***Workforce and connectedness***

- What is needed to ensure we are developing a science, innovation and technology workforce that will meet our future needs and challenges?
- How can opportunities and solutions for Mātauranga be better realised within the system?
- What is needed to deliver greater diversity with the science, innovation and technology workforce, and participation of under-represented and under-served groups such as Māori and Pacific Peoples?
- How can we grow key international linkages and strengthening the role of science in diplomacy?
- How can we lift awareness and appreciation of the role and impact science, innovation and technology have on the economy, society and environment?
- How can we develop better connectedness with the higher education system?

14. The Group is not limited by the above topics and questions and may provide advice on other matters it sees fit.

15. The review will include, but is not limited to document reviews, stakeholder and expert consultation and input (including internationally), site visits and data analysis.

16. MBIE or the Minister of Science, Innovation and Technology may seek advice from the Group about other questions or proposals as needed.

## **Administration**

### **Membership**

17. The Group will be chaired by Professor Sir Peter Gluckman. Members will collectively bring diverse backgrounds and bring expertise in science, research, innovation, technology, mātauranga, policy, and stakeholder engagement.

18. Members are appointed:

- as individuals and expected to provide impartial advice.
- until 30 October 2024, but may be extended if agreed by the Chair and MBIE.

### Meeting frequency

19. The group will meet, either in person or virtually, at a frequency determined by the Chair and agreed by MBIE. Other work (including site visits, workshops or similar) and meetings may be required in-person of all or some members between meetings of the Group.

### Reporting

20. The group will report at a frequency determined by the Chair and agreed with MBIE, with the primary reports being provided to MBIE in two phases:
- Phase 1 report, by 31 June 2024
  - Phase 2 report, by 30 October 2024

### Conflicts of interest

21. Members should be aware of all actual, perceived and potential conflicts of interest and notify the Chair before any meeting. The Secretariat will maintain a register of notified conflicts.
22. The Chair is responsible for determining mitigations to address any conflicts of interest that arise.

### Secretariat

23. Secretariat support will be overseen by the Chair and provided by Koi Tū: The Centre for Informed Futures.

### Remuneration

24. Remuneration will not be paid to members who are employees of government agencies listed in Schedule 2 of the Public Service Act 2020. Their employer is responsible for meeting all costs associated with their membership on the Group.
25. All other members are entitled to compensation per day of meeting or other work agreed by the Chair and MBIE. Remuneration will be set according to guidance set out in Cabinet Office Circular *CO(22)2: Revised Fees Framework for members appointed to bodies in which the Crown has an interest*. Travel and accommodation will be booked for and paid through *Koi Tū: The Centre for Informed Futures*.

### Funding

26. MBIE will fund the University of Auckland to enable *Koi Tū: The Centre for Informed Futures* to provide secretariat support for the Group.
27. Other cost-generating activities will be agreed by the Chair and MBIE before the costs are incurred.

**Appendix Two: The University Advisory Group Terms of Reference**

*Terms of Reference*  
*University Advisory Group*

*Context*

The Government is committed to maintaining a thriving higher education system for the benefit of all New Zealanders. Higher education – generally defined as education offered at degree level and above – is a key contributor to New Zealand’s economic performance, our ability to grow and innovate, and achieving better social outcomes.

The higher education sector, which includes universities, Te Pūkenga (and its future form), Wānanga, and private training establishments, is facing major financial pressure. Universities in particular are collectively forecasting a deficit for the 2024 year for the first time on the Tertiary Education Commission’s record. It is timely to consider broader and longer-term challenges for universities, including questions about their overall performance, and how the funding system could incentivise better outcomes.

In 2023, the Ministry of Education conducted initial scoping for a review of the wider higher education system signalled by the previous Government. The Ministry is now convening an expert advisory group (the Group) to provide a report outlining challenges and opportunities, looking primarily at the university system, to support future policy development.

The Group’s work will be undertaken in parallel with the work of MBIE’s Science System Advisory Group which will assess the current state of the science system and provide advice. Considering the systems together provides an opportunity for a cohesive consideration of the role of universities in the research and knowledge system alongside the role of the science, innovation and technology system.

*Purpose*

This document sets out the Terms of Reference for the Group.

The purpose of the Group is to provide advice to the Ministry of Education that outlines challenges and opportunities in the university system, informed by engagement with the sector.

The Group’s report will support future policy development.

*Scope and approach*

The Group will consider the effectiveness of the funding system in supporting the university system to deliver high quality higher education provision.

In the current fiscal environment, it is important to know that we are getting the best possible outcomes from our investment in universities and the Group will also be expected to consider where opportunities to improve efficiency of the system may exist.



## IN CONFIDENCE

The Group will consider the effectiveness of the current university system to:

- Produce excellence in teaching and research for the benefit of New Zealand.
- Deliver graduates that address national workforce needs and challenges.
- Building a strong, diverse, and inclusive workforce.
- Connect to wider New Zealand society through effective and efficient collaboration and partnerships.

While the Group's work is likely to be of relevance for all tertiary education organisations to the extent that they deliver higher education provision, the focus is on New Zealand's eight universities, which collectively receive approximately 85 per cent of higher education funding and 96 per cent of the Performance-Based Research Fund (PBRF). The PBRF will be a particular focus for the Group.

The Group will respect the principles of academic freedom and autonomy set out in the Education and Training Act 2020 and take into account the university system's Treaty of Waitangi / Te Tiriti o Waitangi obligations in formulating its advice.

The Group's topics of focus are set out below.

The work of the Group will proceed in two phases. The first phase will be completed by 30 August 2024, and the second is intended to be completed by February 2025.

- Phase 1 (interim report) will identify key challenges facing the university system and opportunities for the future direction, as well as providing high level principles for university system, including funding, and initial proposals for changes to the Performance-Based Research Fund (PBRF).
- Phase 2 (final report) will propose levers and policy changes for government and the sector to consider for the future direction of the university system.

Following the Group's final report, the Ministry of Education, in consultation with the Minister for Tertiary Education and Skills, will determine which recommendations to take forward, conduct detailed policy development and consider the wider implications of the Group's recommendations for the rest of the higher education funding system. It is expected this work will commence from March 2025.

### *Topics of focus*

The Group will provide advice on the following topics of focus:

- Funding policy settings including funding mechanisms, incentives, along with the role of international education, and allocation strategies for research and teaching (in particular the Performance-Based Research Fund) – with a focus on the university sector but recognising relevance to the wider higher education sector.
- Systems for assessing the quality and outcomes of teaching, research (including the PBRF), and broader engagement.
- Excellence and efficiency in governance and administration in universities.
- Resourcing of research and teaching activities and supporting infrastructure in universities.

- Shape of the university sector, including collaboration and partnerships, and differentiation and consolidation of programmes.
- Use of technology in the provision of higher education programmes in universities.
- Regulatory frameworks, incentives, and policies (including tuition fee setting arrangements) relevant to universities.
- Policies and strategies to achieve equity for disadvantaged groups in the university system, including Māori, Pacific and disabled learners.

The Group will consult with stakeholders and the sector. This will include seeking out expert consultation and input, and a range of perspectives, including those of university students, staff and leadership, iwi/Māori, employers of graduates, as well as international perspectives. The Group's work will draw on existing expertise within and held by the Panel, the Ministry, and the Tertiary Education Commission, and may include document reviews, comparative analysis of higher education systems in other countries, and data analysis.

### *Membership*

The Group will be chaired by Professor Sir Peter Gluckman. Members will be appointed by the Ministry of Education, and collectively bring diverse backgrounds and expertise in higher education, research, funding policy, business, stakeholder engagement and connections, university governance, the Treaty of Waitangi / Te Tiriti o Waitangi, and mātauranga Māori.

As determined by the Chair and in agreement with the Ministry of Education, the Group may establish a reference group(s) and/or seek external specialist advice to support its activity.

Group members are appointed:

- As individuals and are expected to provide impartial advice.
- Until 28 February 2025, but this may be extended if agreed by the Chair and the Ministry of Education.

### **Meeting frequency**

The Group will meet (either in person or virtually) at a frequency determined by the Chair and agreed by the Ministry of Education. Other work and meetings may be required of all or some members between meetings of the Group.

### **Reporting**

The Group will report at a frequency determined by the Chair and agreed with the Ministry of Education.

## Timeline

The timeline for key deliverables is:

Deliverable	Completed by
Group appointed and Terms of Reference approved	March 2024
Group members announced	March 2024
Phase 1 report provided to the Ministry of Education	30 August 2024
Phase 2 report provided to the Ministry of Education	February 2025

## Conflicts of Interest

Members should be aware of all actual, perceived, and potential conflicts of interest and notify the Chair before any meeting. The Secretariat will maintain a register of notified conflicts.

If any conflicts of interest should arise for Group members during their term, the Chair is responsible for determining mitigations to address them.

## Secretariat

Secretariat support will be overseen by the Chair and provided by the Ministry of Education and the Tertiary Education Commission as outlined below.

## Remuneration

Remuneration will not be paid to members who are employees of government agencies listed in Schedule 2 of the Public Service Act 2020. Their employer is responsible for meeting all costs associated with their membership on the Group.

All other members are entitled to compensation per day of meeting or other work agreed by the Chair and the Ministry of Education. Remuneration will be set according to guidance set out in Cabinet Office Circular CO (22)2: Revised Fees Framework for members appointed to bodies in which the Crown has an interest.

Where appropriate travel and accommodation will be booked and paid for by the Secretariat or reimbursed.

## Funding

The Ministry of Education and the Tertiary Education Commission will provide secretariat services through access to Ministry staff resources for writing and analysis, project coordination and for expense claims and travel bookings.

Other cost-generating activities will be agreed by the Chair and Ministry of Education before the costs are incurred.