**Briefing Note:** Information to support meeting with Universities New Zealand - 14 February 2019

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<th>To:</th>
<th>Hon Chris Hipkins, Minister of Education</th>
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| Cc: | Hon Jenny Salesa, Associate Minister of Education  
Hon Kelvin Davis, Associate Minister of Education |
| Date: | 13 February 2019 |
| Priority: | High |
| Security Level: | In Confidence |
| METIS No: | 1177474 |
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| DDI: | |
| Messaging seen by Communications team: | No |
| Round Robin: | No |

**Purpose of paper**

You are attending a meeting with the Universities New Zealand (UNZ) Vice-Chancellors on Thursday, 14 February 2019. This briefing provides you with suggested talking points (see Annex 1) and background information to support you at this meeting.

**Proactive release**

Agree that this Briefing will be proactively released.

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Andy Jackson  
Group Manager, Tertiary Policy  
Graduate Achievement, Vocations and Careers  
13/02/2019

Hon Chris Hipkins  
Minister of Education  
14/2/19
Background

Meeting Information

1. You are meeting with the Universities New Zealand (UNZ) Vice-Chancellors from 5.15pm – 6pm on Thursday, 14 February 2019 at Universities New Zealand, Level 9, Pacific Radiology Building, 142 Lambton Quay, Wellington.

2. UNZ is the peak body for New Zealand’s eight universities, represented by the eight Vice-Chancellors, who meet on a formal basis six times a year. The current Chair for 2019-2020 is Derek McCormack, Vice-Chancellor of Auckland University of Technology.

3. The vice-chancellors and some additional UNZ staff are expected to attend this meeting. Biographies of the expected attendees are set out in Annex 2.

4. The focus of the meeting will likely include the following topics which are of interest to the universities:
   a. The Reform of Vocational Education (RoVE) and other parts of the Education Work Programme, including the Tertiary Education Strategy (TES) and the Performance-Based Research Fund (PBRF)
   b. Section 9(2)(f)(iv)
   c. The role of universities as autonomous public institutions
   d. Lincoln University and University of Canterbury partnership proposal
   e. The Victoria University of Wellington name-change recommendation
   f. Centres of Research Excellence (CoREs).

Additional Ministerial meetings with UNZ on 14 February

5. Minister Salesa will also be meeting with the UNZ Vice-Chancellors on 14 February to discuss the Performance-Based Research Fund (PBRF) Review. We have provided a briefing note for Minister Salesa to support this meeting (METIS 1176540 refers).

6. Minister Davis will be meeting with Te Kāhui Amokura, UNZ’s sub-committee of Māori Deputy and Pro-Vice Chancellors, on 14 February to discuss centres of excellence.

Likely Topics of Discussion

Reform of Vocational Education

7. You launched proposals for RoVE on Wednesday 13 February and are seeking feedback on these proposals by Wednesday 27 March. The vice-chancellors are likely interested in any impact that these proposals would have on universities.

8. The proposed vocational education reforms would not directly impact on universities as the focus of the proposed reform is on vocational programmes up to Level 7, therefore degree level study is not affected. However, universities have long-established arrangements with industry training providers within their region. These arrangements would transfer to the proposed New Zealand Institute of Skills & Technology. The
significant change in the nature of the relationship and the scale of the new Institute could cause review of these arrangements by either party. For example, the Institute may inherit several different agreements with a single university.

9. There would be no changes in legislation to the institutional autonomy and academic freedom provisions in the Education Act 1989 as they apply to universities.

The Education Work Programme

Wider Education Work Programme

10. The vice-chancellors may be interested in how the Education Work Programme is progressing and how changes arising from different workstreams and reviews will be drawn together. UNZ has previously expressed uncertainty around how all the reviews will be brought together to form a strategy.

11. The changes proposed as part of the Education Work Programme may not directly align with the universities’ priorities. We would recommend encouraging the vice-chancellors to engage with the Tertiary Education Strategy, as this offers an opportunity for input into the strategic direction of the tertiary sector.

Tertiary Education Strategy

12. The Ministry is leading the development of a new TES that will set out Government’s long-term strategic direction and current and medium-term priorities for tertiary education.

13. The Ministry is meeting with a range of stakeholders including tertiary education organisations (TEOs), learners, and those with a broader stake in tertiary education to inform the new strategy.

14. The new TES will reflect upcoming decisions made as part of RoVE. Engagement with the sector and other stakeholders will consider a range of issues including career pathways; equity; life-long learning and the future of work; technological advances; and the role of Government in the provision of tertiary education.

15. A draft TES will be shared for consultation in the second quarter of 2019 with the aim of publishing a final strategy in July 2019.

Performance-Based Research Fund Review

16. In February 2018, Cabinet agreed to review the PBRF and its core aims. The Review will commence in mid-2019, following the completion of the 2018 Quality Evaluation.

17. A number of key decisions about the role, structure and makeup of the Review panel are still to be made, along with the finalised timeline of the Review. In order for the Ministry to report back to Cabinet by April 2020 with final recommendations, the panel will have to provide their recommendations by the end of 2019. This timing was signalled to Cabinet, but has not yet been made public.

18. The vice-chancellors have previously expressed their satisfaction with the current PBRF system and that they would not support significant amendments. They also expressed their desire to have a greater oversight role in the Review, as universities receive the vast majority of PBRF funding. In particular, they were concerned about Centres of Research Excellence (CoREs) and overseas organisations being consulted during the Review.
19. While UNZ may wish to discuss the PBRF review, we would recommend noting that Minister Salesa is scheduled to meet with UNZ about the PBRF Review earlier on 14 February.

Other Issues

Role of Universities

20. The vice-chancellors may seek to stress the contribution the universities make to New Zealand’s economy and society as autonomous public institutions. In particular, they may note the universities’ leading role in research and advanced teaching, the importance of sustaining their international reputation and profile, and their legislated roles as critic and conscience of society.

21. The vice-chancellors may raise their view that each tertiary sub-sector should have a more differentiated role, with the universities leading the production of graduates at levels 7-10, and other Tertiary Education Institutions focussed on levels 1-6 and practical skills for work and the preparation of learners for higher education at universities.

22. The Government’s Education Work Programme and proposed vocational education reforms are not likely to deliver any changes in the direction sought by universities: the polytechnic sector and wānanga will continue to offer a mix of foundation, vocational and higher education, including degrees and research.

Lincoln University and University of Canterbury Partnership Proposal

27. In late August 2018, Lincoln University and the University of Canterbury signed a Memorandum of Understanding to explore partnership and merger options between the two institutions. A formal proposal was submitted to you in December. The Tertiary Education Commission (TEC) and the Ministry will shortly provide you with advice on the joint proposal and next steps.

28. You have previously stated your commitment to an outcome that enhances the contribution made from Lincoln to New Zealand’s land-based sectors.

Lincoln University and AgResearch Joint Facility
29. Lincoln University and AgResearch submitted an Implementation Business Case (IBC) for their proposed joint facility to you and the Minister of Finance. There was not sufficient information to endorse it at that time. You asked for a more complete IBC, addressing the outstanding issues, to be submitted by 31 March 2019 or, if this was not practical, for another proposal to be put forward.

30. On 13 February, it was announced in the media that the Joint Facility will not be proceeding as originally proposed with Lincoln University. Instead, AgResearch will lead the first stage of a joint development on the Lincoln University site. Lincoln University will subsequently build complementary and integrated facilities, once it has resolved its financing and other issues. Effectively this means the joint facility will be developed in stages.

Victoria University of Wellington name-change recommendation

31. In September 2018, you received a recommendation from the Victoria University of Wellington’s Council to change the University’s English name from Victoria University of Wellington to the University of Wellington, and Māori name from Te Whare Wānanga o Te Úpoko O Te Ika a Māui to Te Herenga Waka.

32. In December 2018 you declined this recommendation as, on balance, you were not persuaded that the University’s recommendation was consistent with the demands of accountability and the national interest.

33. We understand that the Victoria University of Wellington’s Council has decided to take some time to consider options, following their meeting on Monday 11 February.

Centres of Research Excellence

34. Minister Salesa is planning to consult with Tertiary Education Institutions on her approach to the next CoREs investment round, beginning 15 February.

35. We anticipate that guidelines for proposals for the next CoREs selection round will be made available mid-2019. This will coincide with the planned formal consultation on the draft TES.

Annexes

Annex 1: Talking Points
Annex 2: Expected Attendees
Annex 3: s 9(2)(l)(iv)
Annex 1: Talking Points

Proactive Talking Points

Reform of Vocational Education

- Yesterday I announced the Reform of Vocational Education. Consultation is now open and I welcome feedback from the community about the proposals.

- These reforms are proposed to enable the vocational education sector to respond to the rapid pace of change in the skills employers need, and secure a sustainable future for New Zealand’s institutes of technology and polytechnics.

- I would like to assure you that the proposed reforms would not directly impact on universities. Also, there would be no changes in legislation to the institutional autonomy and academic freedom provisions in the Education Act as they apply to universities.

- There could be some changes as a result of the reforms, including changes to the arrangements universities have with ITPs within their region.

- As a result of the reforms, I would also like to see the relationships between industry skills bodies and universities grow over time to ensure the best possible outcomes.

- I encourage you to engage with and provide feedback about the proposed reforms.

Education Work Programme

Wider Education Work Programme

- This year, as part of the Education Conversation, we have held a series of summits, fono, wānanga and meetings to hear from people about what is important to them and what they would like to change in the education system.

- In total, over 43,000 New Zealander have responded to the various reviews being undertaken as part of the conversation.

- Findings from this, and other aspects of the Education Work Programme, will feed into the Government’s strategy for the education system. The objective of the work programme is to create an enduring long term vision for education in New Zealand and to meet the needs of all learners.

Tertiary Education Strategy

- The Ministry is leading the development of a new Tertiary Education Strategy (TES) to set out the long-term direction for tertiary education as well as the current and medium-term priorities.

- The sector and other stakeholders are being invited to support the development of a new TES through a comprehensive engagement programme. I would welcome your thoughts on how universities can be part of that.

- A draft TES will go out for consultation prior to publishing a final strategy later this year.

Performance-Based Research Fund (PBRF) Review

- The PBRF Review will commence in mid-2019, following the completion of the 2018 Quality Evaluation. I encourage you to engage in this Review.
• I refer you to my colleague, the Hon Jenny Salesa, if you would like to discuss the PBRF Review in more detail.

Reactive Talking Points

Role of Universities

• I acknowledge that universities have an important role in our society in fostering an environment for researchers that encourages a diverse range of research and strengthens the tertiary sector.

• The Government is committed to preserving and enhancing academic freedom and autonomy of institutions across the tertiary sector in New Zealand.

Lincoln University and University of Canterbury Partnership Proposal

• I have received a partnership proposal from Lincoln University and the University of Canterbury.

• I am considering this proposal and will respond in due course.

Lincoln University and AgResearch Joint Facility

• The Minister of Finance and I received an Implementation Business Case from Lincoln University and AgResearch in late 2018. However, there was not sufficient information for decisions to be made and we have asked Lincoln and AgResearch to re-submit a complete business case by the end of March 2019 or, if this is not practical, for another proposal to be put forward.

• We understand that Lincoln and AgResearch are considering undertaking the development in stages, with AgResearch leading the first stage of a joint development on the university site.

• I remain committed to ensuring teaching and research continues to be undertaken at Lincoln.

Victoria University of Wellington name-change recommendation
• In December, I declined the Victoria University of Wellington’s name-change recommendation.

• I made my decision taking into account the object of the provisions of the Education Act relating to institutions, stipulated in section 160. On balance, I was not persuaded that the University’s recommendation was consistent with the demands of accountability and the national interest.

Centres of Research Excellence (CoREs)

• Guidelines for proposals for the next CoREs selection round will be made available later this year.

• I refer you to my colleague, the Hon Jenny Salesa, if you would like to discuss CoRE work in more detail.
Annex 2: Expected Attendees

Lincoln and Canterbury universities have recently made, or are in the midst of, leadership changes. Below are the people we expect to attend on 14 February.

Note that the incoming Vice-Chancellor for Lincoln University, Bruce McKenzie, is unable to attend. The departing Acting Vice-Chancellor for Lincoln University, James McWha, will be attending this meeting in his absence.

**Derek McCormack – Vice-Chancellor, Auckland University of Technology, Chair of Universities New Zealand**

Derek McCormack became the Vice-Chancellor of the Auckland University of Technology in 2004, having previously been the Deputy Vice-Chancellor of Administration. He has served on numerous government committees and boards, including the establishment body of the New Zealand Qualifications Authority.

**Professor Stuart McCutcheon – Vice-Chancellor, University of Auckland, Deputy Chair of Universities New Zealand**

Professor Stuart McCutcheon joined the University of Auckland in 2005 as Vice-Chancellor. Before joining the University, he was the Vice-Chancellor of Victoria University of Wellington, a position he had held since 2000. He has served in an advisory capacity to a number of Government agencies and producer boards.

**Professor Neil Quigley – Vice-Chancellor, University of Waikato**

Professor Neil Quigley became the Vice-Chancellor of the University of Waikato in 2015. Previously he was a Professor of Economics and Deputy Vice-Chancellor (Research) at Victoria University of Wellington. He currently serves on the boards on a number of educational organisations and companies, including the New Zealand Qualifications Authority.

**Professor Jan Thomas – Vice-Chancellor, Massey University**

Professor Jan Thomas joined Massey University as Vice-Chancellor in 2017. Previously she had served as Vice-Chancellor and President at the University of Southern Queensland. She currently holds the position of Chair for the Managing Council of the Association of Commonwealth Universities based in London and is a member of the Hong Kong Quality Assurance Council.
Professor Grant Guilford – Vice-Chancellor, Victoria University of Wellington
Professor Grant Guilford joined Victoria University of Wellington in 2014 as Vice-Chancellor. He was previously the Dean of the Faculty of Sciences at the University of Auckland. He has been on the board of a number of companies, research consortia, joint ventures, centres of research excellence and a Crown Research Institute.

Professor Ian Wright – Acting Vice-Chancellor, University of Canterbury
Professor Ian Wright joined the University of Canterbury in 2016. Before joining the University, he worked as a Departmental Chair and subsequently as the Director of Science and Technology at the National Oceanography Centre, co-located with the University of Southampton, United Kingdom. He has extensive research and governance experience.

Professor Cheryl de la Rey – Incoming Vice-Chancellor, University of Canterbury
Professor Cheryl de la Rey has been appointed as Vice-Chancellor of University of Canterbury and will commence the role in mid-February. She has served as the Vice-Chancellor and Principal of the University of Pretoria since 2009. She has served on a number of national and international committees and boards and has a significant international profile and strong research reputation in the field of psychology.

Professor James McWha – Departing Acting Vice-Chancellor, Lincoln University
Professor James McWha has been Acting Vice-Chancellor of Lincoln University since 2017 and also serves as the Provost of the University. He has held numerous leadership roles in the tertiary education sector, including founding the University of Rwanda in 2013, where he held the role of Vice-Chancellor until 2015.
**Professor Harlene Hayne – Vice-Chancellor, University of Otago**

Professor Harlene Hayne was appointed Vice-Chancellor of the University of Otago in 2011, having previously been the Deputy Vice-Chancellor (Research & Enterprise) and Head of the Psychology Department. She has been employed by the University of Otago since 1992 and in 2009 she was awarded the New Zealand Order of Merit for services to scientific and medical research.

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The following Universities New Zealand staff may also be attending:

**Chris Whelan – Chief Executive of Universities New Zealand**

Chris Whelan joined Universities New Zealand in 2014, having previously worked at University of Canterbury as the Manager of Planning Strategy & Services.

- Jonathan Hughes – Research Portfolio
- Sharon Cuzens – Communications Manager
- Jo Wills – Government Relations Advisor.