

University Advisory Group

Terms of Reference

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.

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.