



31 JAN 2017

## Office of Hon Paul Goldsmith

Minister for Tertiary Education, Skills and Employment  
Minister of Science and Innovation  
Minister for Regulatory Reform

Dr WG Robert Harrison

[fyi-request-4745-24451f41@requests.fyi.org.nz](mailto:fyi-request-4745-24451f41@requests.fyi.org.nz)

Dear Dr Harrison,

Thank you for your official information request to Hon Steven Joyce, dated 12 October 2016, concerning the number of students sponsored by the New Zealand Government for overseas study. I am responding as I have taken over as Minister for Tertiary Education, Skills and Employment, and your request therefore now falls within my portfolio of responsibilities.

Your request has been considered under the Official Information Act 1982. Your request stated:

*1. Under the OIA, I request all documentation, advice sought & received, costings, briefings to ministers and between officials in relation to sending New Zealand Government subsidised/sponsored students to the United Kingdom and the United States to study for either undergraduate or postgraduate studies over the past 15 years (as at 11 October 2016).*

*2. I also request a breakdown of which universities (and Colleges) they attended, what course of study/degree studied for, whether they finished the programme of study, and the total cost per individual student paid for by the Government/taxpayer.*

*3. I also request the names of the NZ Government scholarships or sponsorships that these students were awarded in order to attend.*

*4. If there is a committee that decides (3), I would like a breakdown of the names, and institutions/organisations represented of those on the committee.*

*5. In addition to (1), I request the number of students (subsidised/sponsored by the NZ Government) sent overseas to study in countries other than the USA and the UK. Which universities they attended, which courses they did, whether they completed it, and the total cost per individual student paid by the Government/taxpayer.*

In email correspondence with the off of Hon Steve Joyce you agreed to a re-scope of your initial request to **study in the United Kingdom only, over the past 10 years**. As such, this response does not include any information in relation to question five above.

The information you have requested is enclosed. However, I have withheld the names of individual Tertiary Education Commission and Ministry of Education staff (below manager level), under section 9(2)(a) of the Official Information Act, to protect their privacy.

Enclosed is information relating to the Top Achiever Doctoral Scholarships (TADS) which were part of the Bright Futures package established by the government in 1999. Bright Futures consisted of both TADS and Enterprise Scholarships (Enterprise). TADS scholars could either study in New Zealand or overseas while Enterprise scholarships were for study in New Zealand only.

Bright Futures was administered by the Foundation for Research, Science and Technology (FoRST) from its inception in 1999 until it was transferred to the Tertiary Education Commission in 2004. TADS was discontinued in 2009.

In response to question one, enclosed are copies of all documentation to Ministers and between officials in relation to the TADS, with names of junior staff redacted.

In response to question two, the table in the appendices provides the following information relating to TADS recipients who studied in the United Kingdom:

- The universities attended
- The total cost per student
- Whether the programme of doctoral study was completed

In response to question three, all of the information enclosed relates to the TADS. The purpose of TADS was to recognise, reward and support top achievers in any discipline to continue study at advanced levels; provide access to the best learning opportunities for top students and encourage more study at advanced levels. TADS aimed at boosting New Zealand's human and research capability and were fully funded by the government.

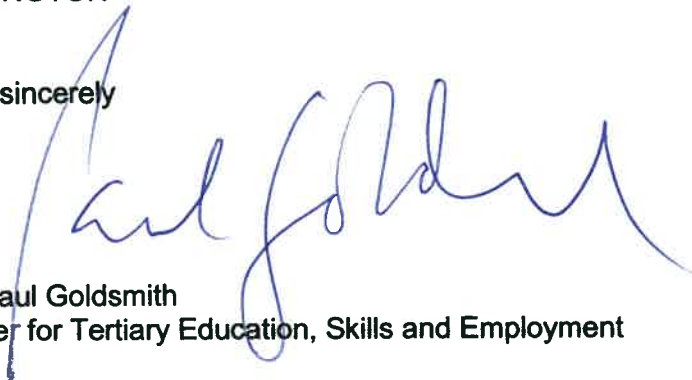
In response to question four, the table in the appendices list the names of the TADS reference group members.

This response includes all information held by Education New Zealand, the New Zealand Qualifications Authority and the Tertiary Education Commission, all of which fall within my responsibility as the Minister for Tertiary Education, Skills and Employment. It is likely that government agencies outside my responsibility hold information about scholarships funded for study in the United Kingdom.

Under sections 19 and 28(3) of the Official Information Act 1982 you have the right to ask an Ombudsman to review this decision, whose address for contact purposes is:

The Ombudsman  
Office of the Ombudsman  
P O Box 10-152  
WELLINGTON

Yours sincerely



Hon Paul Goldsmith  
Minister for Tertiary Education, Skills and Employment

**APPENDIX ONE: TADS Awards undertaken in the United Kingdom in the 10 years to 11 October 2016**

<b>Contract ID</b>	<b>Year Scholarship awarded</b>	<b>University/College</b>	<b>Field of Study</b>	<b>Total cost per student</b>	<b>Completed programme of study Y/N</b>
CAMX06003	2006	University of Cambridge	Other Law	\$176,372	N
UOXX06001	2006	University of Oxford	Other Medical & Health Sciences	\$321,428	Y
CAMX06001	2006	University of Cambridge	Genetics, Molecular Biology & Biotechnology	\$231,285	Y
CAMX06002	2006	University of Cambridge	Organic Chemistry	\$277,972	Y
ICSTM06001	2006	Imperial College London Blackett Laboratory	Applied Mathematics	\$161,079	Y
UOXX06002	2006	University of Oxford	Classical Languages and Literature	\$235,650	Y
UOXX06003	2006	University of Oxford	Other Medical & Health Sciences	\$321,843	Y
UCLN07001	2006	University College London	English Literature	\$182,701	Y
ULON06601	2007	King's College London	Public	\$211,707	N
STAN07001	2007	St Andrews University	English Literature	\$215,395	Y
CAMX07001	2007	University of Cambridge	Architecture	\$169,103	N
CAMX07002	2007	University of Cambridge	Sociology	\$156,053	N
UOXX07002	2008	University of Oxford	Anthropology	\$178,560	N
UOSX07001	2008	University of Sussex	Social Psychology	\$233,336	Y



# Cabinet Education and Health Committee

EHC (01) 11

30 March 2001

Copy No: 19

This document is in accordance with the Official Information Act 1982.

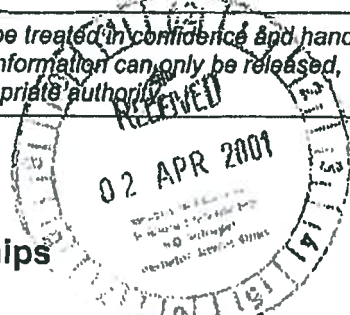
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| SMLEP | GRMSM  | MAOM   | SMDMA | MLS   |     |
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|       | SMEMP  | SMSLMD | MCFU  | GRMHR |     |

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It is to be treated in confidence and handled as confidential information can only be released, if appropriate authority is obtained.



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**Title** Review of Bright Future Scholarships

**Purpose** This paper reviews the three Vote Education scholarships introduced in 1999, and the Vote Education top-up to the School Achiever Awards. It is proposed that savings on Enterprise Scholarships be used to fully fund Centres of Research Excellence. This paper should be read in conjunction with accompanying paper "Centres of Research Excellence" [EHC (01) 9].

**Previous Consideration** In July 1999 the previous Government directed Treasury and the Ministry of Education to review annually the three Bright Futures Scholarships, including the rate of take-up and effectiveness in terms of the objectives of each scheme [STR (99) M 18/1].

**Summary** Officials, other than Treasury, believe that the Top Achiever Doctoral Scholarships are invaluable in recognising and rewarding top achievers, Treasury does not think they are good value for money.

Despite initial success, demand for the Enterprise Scholarships has slowed. Changes are proposed to the scheme, including to the targets, which will result in savings.

It is too early to determine the effectiveness of the Bursaries Science and Mathematics Awards and the Vote Education Top-up. Officials (other than Treasury) advise that both of these should be retained in the interim. Treasury believes they should be revoked, with a phase-out period.

**Baseline Implications** A possible saving of \$30 million has been identified from adjusting the targets of the Enterprise Scholarships. This sum has been identified as funding for a bid for Centres of Research Excellence in the 2001 Budget process [EHC (01) 9 refers].

**Legislative Implications** None indicated.

**Timing Issues** None indicated.

**Announcement** None indicated.

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**Consultation** The Minister indicates that the relevant portfolio and coalition consultation Ministers have been consulted and that caucus consultation is not required.

Treasury, DPMC, MoRST, DoL, MED, TPK and PIA were consulted.

**The Minister of Associate Minister of Education (Tertiary Education) and the Minister of Education recommend that the Committee:**

### **Background**

- 1 note that, in August 1999, Cabinet established the following scholarships:
  - 1.1 University Bursaries Science and Mathematics Scholarships and School Achiever Awards;
  - 1.2 Enterprise Scholarships Scheme; and the
  - 1.3 Top Achiever Doctoral Scholarships Scheme;
- 2 note that Cabinet Strategy Committee, having been authorised to act by Cabinet, "directed the Ministry of Education and the Treasury to jointly review on an annual basis, with first report submitted to the Cabinet Economic Committee by 31 October 2000, the three scholarships schemes including the rate of take-up, and their effectiveness in terms of the objectives of each scheme" [STR (99) M 18/1];

### **Top Achiever Doctoral Scholarships**

- 3 **EITHER** [*Officials other than Treasury*]
  - 3.1 agree to retain the Top Achievers Doctoral Scholarships due to their contribution to the recognition, reward and support of New Zealand's top achieving students at doctoral level;
- OR** [*Treasury*]
  - 3.2 agree that as the Top Achiever Doctoral Scholarships offer the least value for money the scholarships' targets should be scaled back;

### **Enterprise Scholarships**

#### **Design**

- 4 agree to retain the Enterprise Scholarships due to their potential to encourage increased collaboration between tertiary education institutions and enterprises;
- 5 approve the following changes to the parameters of the Enterprise Scholarships to encourage increased participation:
  - 5.1 extending access to the scholarships to part-time students, and allowing these students to supplement their stipend from other sources; and
  - 5.2 providing for joint applications from either enterprises or education providers without reference to a particular student;

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6 agree to the removal of the Enterprise Skills/Technologies Scholarships;

**Targets for the Enterprise Scholarships**

7 note that the take-up for the Enterprise Scholarships has been less than targeted for;

8 note that the targets for the Enterprise Scholarships have been decreased, and that these amendments have resulted, and will result in savings of \$1.81 million for 2000/01, \$5.74 million for 2001/02, \$10.248 million for 2002/03, \$12.705 million for 2003/04, and \$11.298 million in outyears;

9 note that these savings are identified in a Budget 2001 Bid to establish a "Centres of Research Excellence" (CoRE) Fund, and that these savings will fully fund (in the initial years) the establishment of centres of research excellence [EHC (01) 9];

**University Bursaries Science and Maths Awards/Vote Education Top-up**

10 note that officials other than Treasury consider it to early too consider the effect of either the University Bursaries Science and Maths Awards or the Vote Education Top-up to the School Achiever Awards;

11 note that Treasury officials consider the Awards to have had virtually no impact on students' decisions regarding what qualifications, courses or subjects to study at tertiary level;

12 note that Treasury officials consider that the Vote Education Top-up to the School Achiever Awards, which occurred to provide financial parity with the University Bursaries Science and Maths Awards, is not effective expenditure;

13 note that the Minister of Education is seeking advice within the next month on alternative design options for the University Bursaries Science and Maths Awards and may report to Cabinet with further options in due course;

14 **EITHER** *[Officials other than Treasury]*

14.1 agree to retain in the interim the University Bursaries Science and Maths Awards and the Vote Education Top-up to the School Achiever Awards, and that further consideration of both the Awards and the Top-up be incorporated into further work on rewarding achievement and excellence within the National Certificate of Education and Achievement framework;

**OR** *[Treasury]*

14.2 agree to revoke the University Bursaries Science and Maths Awards; and

14.3 agree to a phase-out period so that students from the 1999 and 2000 examination rounds continue to be eligible for the Awards;

14.4 agree to revoke the Vote Education Top-up to the School Achiever Awards to align with the revoking of the University Bursaries Science and Maths Awards; and



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- 14.5 approve the following changes to appropriations resulting from the proposals in paragraphs 14.2, 14.3, & 14.4, with a corresponding impact on the Government's operating provisions:

Vote Education	\$m – increase/(decrease)				GST
	2001/02	2002/03	2003/04	2004/05	
Benefits and Other Unrequited Expenses:					
Tertiary Scholarships	(0.480)	(0.833)	(0.950)	(0.950)	N/A

### Further Work

- 15 direct the Ministry of Education to further review the Top Achiever Doctoral and Enterprise Scholarships and report to Cabinet Education and Health Committee by 30 June 2003.

Wendy Adams  
for Secretary of the Cabinet

#### Copies to:

Cabinet Education and Health Committee  
Chief Executive, Department of the Prime Minister and Cabinet  
Cathryn Ashley-Jones, DPMC (OEHC)  
Chief Executive, Ministry of Economic Development  
Secretary to the Treasury  
Chief Executive, Ministry of Education  
Minister of Labour  
Secretary of Labour  
Chief Executive, Ministry of Research, Science and Technology  
Chief Executive, Te Puni Kōkiri  
Minister of Pacific Island Affairs  
Chief Executive, Ministry of Pacific Island Affairs

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**Chair  
Cabinet Education and Health Committee**

**Review of *Bright Future* Scholarships**

**Executive Summary**

1. This paper reviews the three Vote Education scholarships introduced in the Bright Future package in 1999, and the Vote Education Top-up to the School Achiever Awards in accordance with a directive from Cabinet Strategy Committee [STR (99) M 18/1 refers]. Savings are offered from a readjustment of the targets for the Enterprise Scholarships, and it is proposed that these savings are used to fully fund (in the initial years) the development of centres of research excellence in New Zealand. Such a refocusing of funding will offer New Zealand an opportunity to develop as a knowledge society through strengthening its tertiary research capacity.
2. The Top Achiever Doctoral Scholarships have met their objectives as elite awards to New Zealand's top achievers at doctoral level and encouraged a large number of high achievers to do complete doctoral studies both in New Zealand and overseas. Although it is too early to determine the effect of the scholarships on participation and achievement at doctoral level, it is recommended that these scholarships be retained until a further report-back is completed.
3. The Enterprise Scholarships have had some initial success in linking enterprises and tertiary education providers, but demand for the scholarships has grown more slowly than anticipated. It is recommended that the Enterprise Skills/Technologies Scholarships are revoked, and that two changes to the eligibility criteria of the Enterprise Scholarships occur. It is also recommended that the targets be reduced. Savings achieved through the adjustment to the targets are detailed both in this paper, and in a Budget 2001 bid for the establishment of a *Centres of Research Excellence* Fund.
4. The University Bursaries Science and Mathematics Awards provide a reward for top secondary school achievers in science or maths subjects if they continue to study these subjects at a tertiary level. The School Achiever Awards reward students for excelling across all school subject areas, and the Vote Education Top-up to the awards increased the value of the awards to the level of the Science and Mathematics Awards. As with the Top Achiever Doctoral Scholarships, it is too early to fully determine the effects of either the Awards or the Vote Education Top-up. It is, therefore, recommended that both are retained in the interim and that further consideration of the longevity of these financial rewards be incorporated into work on rewarding excellence and achievement under the new National Certificate of Educational Achievement (NCEA) framework.

**Introduction**

5. Cabinet Strategy Committee [STR (99) M 18/1 refers], having been authorised to act by Cabinet [CAB (99) M 18/26 refers], "directed the Ministry of Education and the Treasury to jointly review on an annual basis, with first report submitted to the Cabinet Economic Committee by 31 October 2000, the three scholarships including the rate of take-up, and their effectiveness in terms of the objectives of each scheme".
6. This scholarship package was reviewed in September 2000. However, the Secretary, Cabinet Economic Development Committee, granted an extension for the report-back until

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February 2001. A second paper titled *Centres of Research Excellence* accompanies this paper, and a bid for the establishment of centres of research excellence was submitted into the Budget 2001 process for consideration.

## **Background**

### *New Zealand as a Knowledge Society*

7. Developing New Zealand as a knowledge society is a key priority for government at the beginning of the 21st century. A knowledge society is one in which all New Zealanders are continually striving to acquire new knowledge and skills, with this acquisition contributing to a dynamic economy and social inclusion.
8. New Zealand's future direction and success as an innovative and highly developed knowledge society depends on the nation's human resources (or human capital). The tertiary education sector is a key contributor to the development of peoples' capabilities.
9. Scholarships are one lever for the government or the private sector to encourage and support participation in tertiary education so that human capability is improved. Scholarships can take on many forms, but essentially they provide student support while a student is undertaking study for a particular purpose.
10. The overall purpose of the scholarships introduced in the Bright Future package was to encourage study and/or research activity that would stimulate innovation and make a contribution towards economic development. This focus is consistent with the current government's key goals of improving New Zealanders' skills through fostering education and training, and of growing an inclusive, innovative economy for the benefit of all through the provision of opportunities.

## **Issues**

11. The following discussion describes each scholarship scheme, with suggested changes (if required) outlined.

### *Top Achiever Doctoral Scholarships*

#### Objectives

12. The objectives of the Top Achiever Doctoral Scholarships are to recognise, reward and support top achievers in any discipline to continue study at advanced levels, to provide access to the best learning opportunities for top students, and to encourage more study at advanced levels. The scholarships aim to boost New Zealand's human and research capability.
13. Eligibility for the scholarships is based on an A grade average in the applicant's previous year of study, and their acceptance into a doctoral programme.
14. Students taking up scholarships for study overseas are bonded to return to New Zealand after they have completed their studies. They are required to remain in New Zealand for an equivalent period to their time overseas.

#### Take-up of the Scholarships

15. Take-up rates for the Top Achiever Doctoral Scholarships have been on target, with 95 students currently in receipt of this scholarship. Final decisions from the December 2000 application round are expected shortly. The scholarships are attracting a very high standard of applicants from a broad range of disciplines. The majority of scholarships awarded have been to students to study in New Zealand.



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### Views of Stakeholders

16. Universities and the New Zealand Vice Chancellors' Committee (NZVCC) are extremely positive about the scholarships. In fact, discussions indicate that the scholarships have quickly become the premier doctoral scholarships. These scholarships appear to have displaced other scholarship schemes for top students, enabling other scholarship schemes to support a total increase in the numbers of doctoral students overall.
17. Students with slightly lower grade averages, but who are nevertheless good students with sound prospects of graduating at doctoral level, are now receiving other scholarships. Feedback suggests that the institutions are very positive about these developments.

### Education Outcomes

18. The scholarships make a contribution towards educational outcomes by either increasing participation (by decreasing the costs for doctoral study) or increasing achievement (by reducing the time taken to complete a doctorate or by raising the level of achievement through freeing the student from other commitments, for example, part-time employment).
19. It is still too early to confirm whether there has been an increase in enrolments or an improvement in the completion rate for doctoral degrees. It is unlikely that participation effects will show clearly until the final enrolment data for 2001 is collected next year, and completion rates will be unaffected until at least 2004. However, officials (other than the Treasury) believe that these scholarships are invaluable in recognising and rewarding top achievers and supporting these students to take up doctoral level study.
20. No changes to these scholarships are proposed at this stage. However, it is proposed that the success of the scholarships (in terms of participation and completion rates) be reviewed after the first three-year cycle for the scholarships is complete.

### Enterprise Scholarships

#### Objectives

21. The objectives of the Enterprise Scholarships are to build linkages between enterprise and tertiary providers based around research activities, to ensure research undertaken by students is more closely related to industry requirements while still meeting academic requirements, and to reward and support excellence.
22. The scholarships are aimed at the top 25% of those undertaking postgraduate studies, and their eligibility criteria is a B+ grade average in the applicant's previous year of study and acceptance in a research based programme (either degree or higher degree level). The scholarships consist of an equal financial contribution from the enterprise and government.
23. The Enterprise Scholarships contain a sub-set of scholarships, the Enterprise Skills/Technologies Scholarships. These scholarships were designed for technicians and advanced tradespeople to undertake research and development activities related to enterprise needs. They are awarded on the basis of the potential for the research programme to build New Zealand's knowledge and economic base.

#### Take-Up

24. The original targets for the Enterprise Scholarships (including Skills/Technologies) was for 500 new scholarships in the 2000 academic year with an average total value of \$8,000<sup>1</sup>, with the targets increasing to 1,000 in 2001, and 1,500 in 2002. The targets were reduced in Budget 2000 to 200 awards in the 2000 academic year with an average total value of \$16,000, with the targets increasing to 400 in 2001, and 750 in 2002.

<sup>1</sup> The Crown and the enterprise contribute equally (50/50 basis).

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25. The take-up of the scholarships has been lower than expected. The total number of scholarships awarded as at September 2000 was 34. The scholarships were awarded across a wide range of subjects and in a number of different institutions including universities and polytechnics. The majority of enterprises were small to medium in size, reflecting New Zealand's enterprise sector.
26. From the December 2000 application round, there are 35 eligible applications for the scholarships. Final decisions on the successful scholars are expected shortly.

#### Views of Scholarship Officers

27. Discussions with scholarship officers in the universities suggest that the tertiary environment is still optimistic about the future success of these scholarships. Many officers commented that, over time, greater collaboration between enterprises and education providers would occur, but that this collaboration would take time to develop.

#### Education Outcomes

28. The desired outcomes of these scholarships relate to the type of study being undertaken and the implicit links to enterprises. It is difficult to generalise as the enterprises and types of study involved are diverse. The first scholarship recipients are still studying but initial indications are positive.

#### Collaboration with Enterprise

29. Although the take-up of the scholarships has been small, there is evidence to suggest that the scholarship scheme is contributing to the development of functional linkages between tertiary providers and enterprise. An initial test of collaborative endeavour is met when the three parties (i.e. student, enterprise and tertiary provider) submit an application for the scholarship. Additionally, the level of contributions from enterprises has been three times more than the original estimation involved (\$4,000). This suggests that when fully informed and involved with the scholarship scheme, enterprises are enthusiastic about the research to be undertaken.

#### Targets

30. A possible reason for the low take-up of the scholarships is that awareness of the scholarships is not widespread. The development of significant information campaigns did not occur at the time of the introduction of the scholarships, and this would have affected general awareness levels among potential interested parties.

#### Discussion

31. The low short-term take-up of the Enterprise Scholarships suggests that revised targets are required. We propose that the targets be adjusted to those in the following table. This would result in savings from 2000/01 to 2003/04 worth approximately \$30 million.

Year	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	Outyears
Current profile	200	400	750	750	750	750
Revised	31	75	150	180	260	320
Dollar value of current profile (\$m)	1.111	3.007	8.362	14.118	18.051	18.051
Dollar value of revised profile (\$m)	0.372	1.197	2.622	3.870	5.346	6.753
<b>Savings (\$m)</b>	<b>0.628</b>	<b>1.810</b>	<b>5.740</b>	<b>10.248</b>	<b>12.705</b>	<b>11.298</b>

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32. There is a need to increase the level (and possibly the type) of marketing to increase general awareness of the scholarships. The Foundation of Research, Science and Technology (the administrator of the Enterprise Scholarships) has now developed a strategy for promoting the scholarships.
33. In order to encourage increased take-up levels of the scholarships, two amendments are suggested. These are:
- a) To remove the access barrier for part-time students, and allowing part-time students to supplement their stipend from sources other than scholarships. This would increase the pool of potential applicants for the scholarships by encouraging more employees (rather than students) to engage in research activity; and
  - c) The provision for joint applications from enterprises and education providers without reference to a particular student. This would increase incentives on education providers to initiate possible linkages (research projects) with enterprises and vice versa. A student would then be found to complete the research project. The scholarship would still be provided to this student, once approved.
34. The removal of the Enterprise Skills/Technologies Scholarships is also proposed. There has been a low demand for these scholarships (only two were awarded as at September 2000). This could be indicative of a degree of confusion over this particular initiative and initiatives within the Industry Training Strategy. The removal of this scholarship would, therefore, avoid further confusion and prevent any duplication of initiatives.
35. In addition to these changes, officials intend to investigate ways of both further increasing the take-up of the scholarships and other initiatives that may focus more directly on the information exchange between business and tertiary institutions (e.g. leveraging off Industry New Zealand's work on creating new linkages within the economy).

#### *University Bursaries Science and Mathematics Awards*

##### Background

36. The objective of introducing the University Bursaries Science and Mathematics Awards was to reward (up to a maximum of \$3,000) top achievers for their senior secondary school performance if they continued with their studies in Mathematics, Science or Technology subjects at a tertiary level. This objective partially arose due to a concern about participation levels in science and mathematics "type" subjects at tertiary education despite significant numbers of school leavers achieving well in these subjects. The number of students studying maths and science subjects at Bursary level is approximately 56% and 36% respectively. These figures drop to approximately 5% and 9% respectively for those qualifying in these areas at tertiary level.
37. A second objective for the awards was to increase general technological literacy by encouraging student participation in mathematics, science and technology subjects, beyond degree requirements.

##### Take-Up

38. From the 1999 examinations, 906 students were eligible for receipt of the awards. As at September 2000, 423 eligible students had received 759 awards, at a cost of \$400,000.
39. Award recipients (as at September 2000) represented only 46% of the total number of students eligible for the awards. Students do, however, have three years in which to apply.

##### Effectiveness

40. The Ministry of Education surveyed those students who received the awards (as at September 2000) in order to examine the relationship between receipt of the award and its



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influence on student decision-making regarding future study. Based on a response rate of 50%, the results suggested that there was *no* significant impact on decisions regarding what courses, subjects or qualifications to study at tertiary level.

41. Students' comments indicated that the awards were well received because they acted as rewards (as was their objective), provided encouragement, and provided cash to cover various expenses (such as the purchasing of textbooks).

#### Discussion

42. The awards are linked to the key government goal of improving New Zealander's skills, because they reward people for continuing with their studies. However, science, maths or technology subjects are not the only subjects relevant to the development of a knowledge society.
43. The survey indicated that there was a limited relationship between receipt of the award and influence on student decision-making. Initial indications are that the scholarships are not increasing participation in these subjects. However, the survey was conducted less than 12 months after the introduction of the awards so it may not be an accurate picture of the influence of the awards on decision making (the response rate was 50%). It is, therefore, recommended that the awards be retained in the interim and that future consideration of the longevity of the awards be included into work underway on rewarding achievement and excellence within the NCEA framework.
44. Treasury's view is that there is no evidence that the current level of enrolments in science and mathematics at a tertiary level is inadequate. Furthermore, the Ministry of Education's survey of the awards found that there was an extremely limited effect on students' decisions on study. The survey found that 84% of recipients had indicated that receipt of the award did not significantly influence their decisions as to what tertiary qualification to study. So 84% of government expenditure on the awards had no impact. Treasury, therefore, recommends the awards be revoked, with a phase-out period included so that students from the 1999 and 2000 examination rounds continue to be eligible for the awards.
45. Note that the Minister of Education is seeking advice within the next month on alternative design options for the University Bursaries Science and Maths Awards and depending on the outcome of that advice, may report to Cabinet with further options in due course.

#### *Vote Education Top-up to the School Achiever Awards*

#### Background

45. The School Achiever Awards are monetary awards for students who achieve the highest results (in all subjects) in their University Bursaries examinations. The New Zealand Qualifications Authority (NZQA) and the Lotteries Commission (Department of Internal Affairs) established the awards prior to the introduction of the University Bursaries Science and Maths Awards, and they are primarily funded through student fees (NZQA) and assistance from the Lotteries Commission (approximately \$20,000 per year).
46. As these awards provided a small financial reward when compared with the new Science and Mathematics Awards, Cabinet agreed to increase the value of the awards. This was to ensure financial parity between both types of awards. This increase in value is referred to as the Vote Education Top-up. A total of 48 students received a School Achiever Award in 2000.
47. The expenditure on the awards in 2000 (1999 examinations) was \$357,000, \$207,000 of which was the Vote Education Top-up.

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### Effectiveness

48. The objective of the awards is to reward the highest achievers in senior secondary school. The awards provide an increased financial reward to top achievers, and financial parity with the Science and Mathematics Awards.

### Discussion

49. The direct contribution of the Vote Education Top-up to learning outcomes is low, as the recipients would have achieved regardless. However, the Top-up to the awards did substantially increase the value of the awards, and therefore, rewarded the school achievers at a higher level.
50. In general, there are two options available: to revoke or retain the Vote Education Top-up. The key advantage to revoking the Vote Education Top-up to the awards is that savings would occur, although the level of savings is relatively small.
51. However, the disadvantages of revoking the Top-up include a reduction in the financial value of the awards which may be regarded as unfair by future school achievers, and that there would be further change in the reward framework for secondary students. It may also compromise future decisions on rewarding excellence and achievement being undertaken.
52. It is, therefore, recommended that the Vote Education Top-up be retained in the interim and that any decisions regarding the longevity of the Top-up be incorporated into work on rewarding excellence and achievement within the NCEA framework.
53. Treasury's view is that if the University Bursaries Science and Maths Awards are revoked there is no reason to continue with the Vote Education Top-ups to the School Achiever Awards because there is no longer a need for financial parity. This would result in savings of \$210,000 per year.

### Conclusion

54. The overall focus of the scholarships introduced in the Bright Future package was to encourage study and/or research activity that would stimulate innovation and make a contribution towards economic development. This focus is consistent with the current government's key goals of improving New Zealanders' skills through fostering education and training, and of growing an inclusive, innovative economy for the benefit of all through the provision of opportunities.

#### *The Top Achiever Doctoral Scholarships*

55. The Top Achiever Doctoral Scholarships have met their objectives as elite awards to New Zealand's top achievers. Officials (other than the Treasury) believe that these scholarships are invaluable in recognising and rewarding top achievers and supporting these students to take up doctoral level study. This scheme will contribute to building New Zealand's human capability. Treasury's view is that the Top Achiever Doctoral Scholarships offer the least value for money amongst the tertiary scholarships and that these scholarships do not change the quality or quantity of tertiary education so should be scaled back.

#### *Enterprise Scholarships*

56. The Enterprise Scholarships have had some initial success in linking enterprises and tertiary education providers, but demand for the scholarships has grown slower than anticipated. Three changes to the scheme are proposed, in addition to an increased emphasis on the marketing of the scholarships. It is also proposed that the targets for the scholarships be adjusted, resulting in savings.

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### *University Bursaries Science and Mathematics Awards*

57. The University Bursaries Science and Mathematics Awards provide a reward for top achievers in science or maths subjects for their senior secondary school performance if they continue to study these subjects at a tertiary level. The School Achiever Awards reward students for excelling across all school subject areas, and the Vote Education Top-up ensures financial parity with the Science and Mathematics Awards. It is too early to fully determine the effect of either the Awards or the Vote Education Top-up. Officials (other than the Treasury) recommend that both are retained in the interim and that further consideration of the longevity of these financial rewards be incorporated into work on rewarding excellence and achievement under the NCEA framework.
58. Treasury's view is that the University Bursaries Science and Maths Awards should be revoked, with a phase-out period included so that students from the 1999 and 2000 examination rounds continue to be eligible for the awards. If these awards are revoked, then there is no reason to continue with the Vote Education Top-ups to the School Achiever Awards because there is no longer a need for financial parity.

### **Consultation**

59. In developing this paper, the following departments were invited to comment: the Treasury, the Department of Prime Minister and Cabinet, the Ministry of Research, Science and Technology, the Department of Labour, the Ministry of Economic Development, Te Puni Kokiri and the Ministry of Pacific Island Affairs.

### **Treaty of Waitangi Implications**

60. The proposal will assist in meeting Treaty of Waitangi obligations by working in partnership with Maori. All of the scholarships aim to increase participation and achievement in higher degree programmes for all students who want to study at this level including Maori. Ethnicity data is now to be collected as a component of the applications for the scholarships.

### **Financial Implications**

61. The paper suggests that savings of approximately \$30 million over 2000/01 – 2003/04 are possible from adjusting the targets of the Enterprise Scholarships. These savings are identified in a bid for the development of centres of research excellence submitted in the Budget 2001 process for consideration (and in the accompanying paper *Centres of Research Excellence*).

### **Human Rights**

62. There are no human rights implications.

### **Legislative and Regulative Impact Implications**

63. There are no legislative implications. A regulatory impact statement is, therefore, not required.

### **Recommendations**

64. It is recommended that Cabinet Education and Health Committee:
- 1 note that, in August 1999, Cabinet established the following scholarships:
    - 1.1 University Bursaries Science and Mathematics Scholarships and School Achiever Awards;
    - 1.2 Enterprise Scholarships Scheme; and the
    - 1.3 Top Achiever Doctoral Scholarships Scheme;



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- 2 **note** that Cabinet Strategy Committee [STR (99) M 18/1 refers], having been authorised to act by Cabinet [CAB (99) M 18/26 refers], "directed the Ministry of Education and the Treasury to jointly review on an annual basis, with first report submitted to the Cabinet Economic Committee by 31 October 2000, the three scholarships schemes including the rate of take-up, and their effectiveness in terms of the objectives of each scheme";

*Top Achiever Doctoral Scholarships*

- 3 **EITHER** (Officials other than Treasury preferred option)
- 3.1 **agree** to retain the Top Achievers Doctoral Scholarships due to their contribution to the recognition, reward and support of New Zealand's top achieving students at doctoral level;
- OR** (Treasury's preferred option)
- 3.2 **agree** that as the Top Achiever Doctoral Scholarships offer the least value for money the scholarships' targets should be scaled back;

*Enterprise Scholarships*

Design

- 4 **agree** to retain the Enterprise Scholarships due to their potential to encourage increased collaboration between tertiary education institutions and enterprises;
- 5 **approve** the following changes to the parameters of the Enterprise Scholarships to encourage increased participation:
- 5.1 extending access to the scholarships to part-time students, and allowing these students to supplement their stipend from other sources; and
- 5.2 providing for joint applications from either enterprises or education providers without reference to a particular student;
- 6 **agree** to the removal of the Enterprise Skills/Technologies Scholarships;

Targets for the Enterprise Scholarships

- 7 **note** that the take-up for the Enterprise Scholarships has been less than targeted for;
- 8 **note** that the targets for the Enterprise Scholarships have been decreased, and that these amendments have resulted in savings of \$1.81 million for 2000/01, \$5.74 million for 2001/02, \$10.248 million for 2002/03, \$12.705 million for 2003/04, and \$11.298 million in outyears;
- 9 **note** that these savings are identified in a Budget 2001 Bid to establish a *Centres of Research Excellence (CoRE) Fund*, and that these savings will fully fund (in the initial years) the establishment of centres of research excellence.

*University Bursaries Science and Maths Awards/Vote Education Top-up*

- 10 **note** that officials other than Treasury consider it to early too consider the effect of either the Awards or the Vote Education Top-up to the school achiever awards;
- 11 **note** that Treasury officials consider the Awards to have had virtually no impact on students' decisions regarding what qualifications, courses or subjects to study at tertiary level;

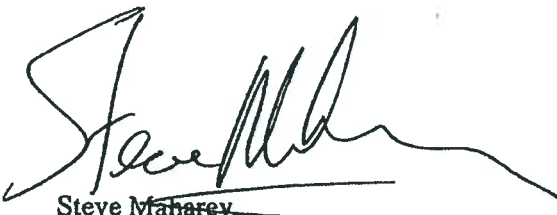
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- 12 **note** that Treasury officials consider that the Vote Education Top-up to the School Achiever Awards, which occurred to provide financial parity with the University Bursaries Science and Maths Awards, is not effective expenditure;
- 13 **note** that the Minister of Education is seeking advice within the next month on alternative design options for the University Bursaries Science and Maths Awards and may report to Cabinet with further options in due course;
- 13 *EITHER (Officials other than Treasury preferred option)*
- 13.1 **agree** to retain in the interim the University Bursaries Science and Maths Awards and the Vote Education Top-up to the School Achiever Awards, and that further consideration of both the Awards and the Top-up be incorporated into further work on rewarding achievement and excellence within the NCEA framework;
- OR (Treasury's preferred option)*
- 13.2 **agree** to revoke the University Bursaries Science and Maths Awards;
- 13.3 **agree** to a phase-out period so that students from the 1999 and 2000 examination rounds continue to be eligible for the Awards;
- 13.4 **agree** to revoke the Vote Education Top-up to the School Achiever Awards to align with the revoking of the University Bursaries Science and Maths Awards;
- 13.5 **approve** the following changes to appropriations resulting from recommendations 11.2, 11.3, & 11.4, with a corresponding impact on the Government's operating provision:

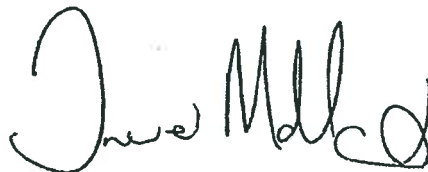
Vote Education	\$m – increase/(decrease)				GST
	2001/02	2002/03	2003/04	2004/05	
Benefits and Other Unrequited Expenses:					
Tertiary Scholarships	(0.480)	(0.833)	(0.950)	(0.950)	N/A

*Further Work*

- 14 **direct** the Ministry of Education to further review the Top Achiever Doctoral and Enterprise Scholarships in a report to Cabinet by 30 June 2003.



Steve Maharey  
Associate Minister of Education (Tertiary Education)



Trevor Mallard  
Minister of Education

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## CONSULTATION ON CABINET AND CABINET COMMITTEE SUBMISSIONS

### Certification by Department

**Departments consulted:** The attached submission has implications for the following departments whose views have been sought and are accurately reflected in the submission:

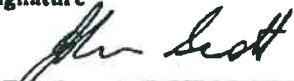
The Treasury; The Ministry of Economic Development; The Ministry of Research, Science & Technology; (updated version)

**Departments informed:** In addition, the following departments have an interest in the submission and have been informed:

.....

**Others consulted:** Other interested groups have been consulted as follows:

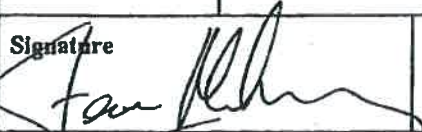
.....

Signature	Name, Title, Department	Date
	Acting MINISTER, M. Education	28/3/01

### Certification by Minister

Ministers should be prepared to update and amplify the advice below when the submission is discussed at Cabinet/Cabinet committee. The attached submission:

<b>Consultation at Ministerial level</b>	<input type="checkbox"/> did not need consultation with other Ministers <input type="checkbox"/> has been the subject of consultation with the Minister of Finance [required for all submissions seeking new funding] <input checked="" type="checkbox"/> has been the subject of consultation with the following relevant portfolio Minister(s) <span style="font-size: 1.2em; margin-left: 20px;">RS + T Education</span> <input checked="" type="checkbox"/> has been the subject of consultation with relevant coalition consultation Minister(s)
<b>Consultation with Government MPs</b>	<input checked="" type="checkbox"/> does not need consultation with the government caucuses <input type="checkbox"/> has been or will be [specify which] the subject of consultation with the following government caucuses: <input type="checkbox"/> Labour caucus <input type="checkbox"/> Alliance caucus
<b>Consultation at Parliamentary level</b>	<input checked="" type="checkbox"/> does not need consultation at parliamentary level <input type="checkbox"/> has been or will be [specify which] the subject of consultation with the following other parties represented in Parliament: .....

Signature	Portfolio	Date
	Ass. Education (Tertiary)	28/3/01



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# Cabinet Education and Health Committee

## Minute of Decision

Copy Number: (C)

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SMLEP	GRMSM	MAOM	SMDMA	MLS	
SMCI	MAOS	SMSRP	SMMTS	CA	
	SMEMP	SMSLMD	MCFU	GRMHR	

Others:.....  
 Action copy with.....  
 EO Ministerials.....

Soa/35 x9  
N. Rickett

PO. Wallace 5/14/01

### Review of Bright Future Scholarships

On 3 April 2001 the Cabinet Education and Health Committee:

#### Background

- 1 noted that, in August 1999, Cabinet established the following scholarships:
  - 1.1 University Bursaries Science and Mathematics Scholarships and School Achiever Awards;
  - 1.2 Enterprise Scholarships Scheme; and the
  - 1.3 Top Achiever Doctoral Scholarships Scheme;
- 2 noted that the Cabinet Strategy Committee, having been authorised to act by Cabinet, "directed the Ministry of Education and the Treasury to jointly review on an annual basis, with the first report submitted to the Cabinet Economic Committee by 31 October 2000, the three scholarships schemes including the rate of take-up, and their effectiveness in terms of the objectives of each scheme" [STR (99) M 18/1];

#### Top Achiever Doctoral Scholarships

- 3 agreed to retain the Top Achievers Doctoral Scholarships due to their contribution to the recognition, reward and support of New Zealand's top achieving students at doctoral level;

#### Enterprise Scholarships

##### Design

- 4 agreed to retain the Enterprise Scholarships due to their potential to encourage increased collaboration between tertiary education institutions and enterprises;
- 5 approved the following changes to the parameters of the Enterprise Scholarships to encourage increased participation:
  - 5.1 extending access to the scholarships to part-time students, and allowing these students to supplement their stipend from other sources; and
  - 5.2 providing for joint applications from either enterprises or education providers without reference to a particular student;

6 agreed to the removal of the Enterprise Skills/Technologies Scholarships;

**Targets for the Enterprise Scholarships**

7 noted that the take-up for the Enterprise Scholarships has been less than targeted for;

8 noted that the targets for the Enterprise Scholarships have been decreased, and that these amendments have resulted, and will result in savings of \$1.81 million for 2000/01, \$5.74 million for 2001/02, \$10.248 million for 2002/03, \$12.705 million for 2003/04, and \$11.298 million in outyears;

9 noted that these savings are identified in a Budget 2001 Bid to establish a "Centres of Research Excellence" (CoRE) Fund, and that these savings will fully fund (in the initial years) the establishment of centres of research excellence [EHC (01) 9];

**University Bursaries Science and Maths Awards/Vote Education Top-up**

10 noted that officials other than Treasury consider it too early to consider the effect of either the University Bursaries Science and Maths Awards or the Vote Education Top-up to the School Achiever Awards;

11 noted that Treasury officials consider the Awards to have had virtually no impact on students' decisions regarding what qualifications, courses or subjects to study at tertiary level;

12 noted that Treasury officials consider that the Vote Education Top-up to the School Achiever Awards, which occurred to provide financial parity with the University Bursaries Science and Maths Awards, is not effective expenditure;

13 noted that the Minister of Education is seeking advice within the next month on alternative design options for the University Bursaries Science and Maths Awards and may report to Cabinet with further options in due course;

14 agreed to retain in the interim the University Bursaries Science and Maths Awards and the Vote Education Top-up to the School Achiever Awards, and that further consideration of both the Awards and the Top-up be incorporated into further work on rewarding achievement and excellence within the National Certificate of Education and Achievement framework;

**Further Work**

15 directed the Ministry of Education to further review the Top Achiever Doctoral and Enterprise Scholarships and report to the Cabinet Education and Health Committee by 30 June 2003.



Wendy Adams  
Secretary

Reference: EHC (01) 11

Copies to: (see over)

**Copies to:**

**Present:**

Hon Dr Michael Cullen  
Hon Steve Maharey  
Hon Annette King  
Hon Trevor Mallard  
Hon Pete Hodgson (Chair)  
Hon Lianne Dalziel  
Hon Marian Hobbs  
Hon Laila Harré  
Hon Tariana Turia

**Officials present from:**

Officials' Education and Health Committee

**Copies to:**

Cabinet Education and Health Committee  
Chief Executive, Department of the Prime Minister and Cabinet  
Cathryn Ashley-Jones, DPMC (OEHC)  
Chief Executive, Ministry of Economic Development  
Secretary to the Treasury  
Chief Executive, Ministry of Education  
Minister of Labour  
Secretary of Labour  
Chief Executive, Ministry of Research, Science and Technology  
Chief Executive, Te Puni Kokiri  
Minister of Pacific Island Affairs  
Chief Executive, Ministry of Pacific Island Affairs  
Monitoring System

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# Cabinet

CAB Min (01) 11/1B

## Minute of Decision

20/15/35

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MAOE	SMTEPB	GRMSIR	SMSER	GRMS	
SMLEP	GRMSM	MACM	SMDMA	MLS	
SMCI	MAOS	SMSRP	SMMTS	CA	V. Kickett
	SMEMP	SMSLMD	MCFD	GRMHR	

Cabinet. It must be treated in confidence and handled accordingly. The information can only be released, in accordance with the appropriate authority.

Others: .....  
Action copy with .....  
EO Ministerials *[Signature]*

Associate Minister of Education (Tertiary Education);  
Minister of Education



### Copies to:

- Prime Minister
- Deputy Prime Minister
- Minister for Economic Development
- Minister of Finance
- Minister of Research, Science and Technology
- Minister of Labour
- Minister of Maori Affairs
- Minister of Pacific Island Affairs
- Secretary, EHC
- Monitoring System

## Review of Bright Future Scholarships

*This minute replaces EHC Min (01) 3/3.*

On 9 April 2001, following reference from the Cabinet Education and Health Committee, Cabinet:

### Background

- 1 noted that, in August 1999, the previous government established the following scholarships:
  - 1.1 University Bursaries Science and Mathematics Scholarships and School Achiever Awards;
  - 1.2 Enterprise Scholarships Scheme; and the
  - 1.3 Top Achiever Doctoral Scholarships Scheme;
- 2 noted that the Ministry of Education and the Treasury were directed to jointly review on an annual basis, with the first report submitted by 31 October 2000, the three scholarships schemes including the rate of take-up, and their effectiveness in terms of the objectives of each scheme [STR (99) M 18/1];

### **Top Achiever Doctoral Scholarships**

- 3 **agreed** to retain the Top Achievers Doctoral Scholarships due to their contribution to the recognition, reward and support of New Zealand's top achieving students at doctoral level;

### **Enterprise Scholarships**

#### **Design**

- 4 **agreed** to retain the Enterprise Scholarships due to their potential to encourage increased collaboration between tertiary education institutions and enterprises;
- 5 **approved** the following changes to the parameters of the Enterprise Scholarships to encourage increased participation:
  - 5.1 extending access to the scholarships to part-time students, and allowing these students to supplement their stipend from other sources; and
  - 5.2 providing for joint applications from either enterprises or education providers without reference to a particular student;
- 6 **agreed** to the removal of the Enterprise Skills/Technologies Scholarships;

#### **Targets for the Enterprise Scholarships**

- 7 **noted** that the take-up for the Enterprise Scholarships has been less than targeted for;
- 8 **noted** that the targets for the Enterprise Scholarships have been decreased, and that these amendments have resulted, and will result in, savings of \$1.81 million for 2000/01, \$5.74 million for 2001/02, \$10.248 million for 2002/03, \$12.705 million for 2003/04, and \$11.298 million in outyears;
- 9 **noted** that these savings are identified in a Budget 2001 Bid to establish a "Centres of Research Excellence" (CORE) Fund, and that these savings will fully fund (in the initial years) the establishment of centres of research excellence [EHC Min (01) 3/4];

### **University Bursaries Science and Maths Awards/Vote Education Top-up**

- 10 **noted** that officials other than Treasury consider it too early to consider the effect of either the University Bursaries Science and Maths Awards or the Vote Education Top-up to the School Achiever Awards;
- 11 **noted** that Treasury officials consider the Awards to have had virtually no impact on students' decisions regarding what qualifications, courses or subjects to study at tertiary level;
- 12 **noted** that Treasury officials consider that the Vote Education Top-up to the School Achiever Awards, which occurred to provide financial parity with the University Bursaries Science and Maths Awards, is not effective expenditure;
- 13 **noted** that the Minister of Education is seeking advice within the next month on alternative design options for the University Bursaries Science and Maths Awards, and would report to the Cabinet Education and Health Committee by 30 June 2001 on whether to continue the awards;



**Further Work**

- 15 **directed** the Ministry of Education to further review the Top Achiever Doctoral and Enterprise Scholarships and report to the Cabinet Education and Health Committee by 30 June 2003.



Secretary of the Cabinet

Reference: CAB (01) 112; EHC Min (01) 3/3

*Secretary's Note: Cabinet amended paragraph 13 (with the consequent deletion of paragraph 14) of the EHC minute.*

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# Cabinet Social Development Committee

SDC Memo (03) 24/2

1 October 2003

Copy No: 36

## Decision of the Chair

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### Extension of Report Backs: Tertiary Education

The Chair of the Cabinet Social Development Committee (SDC) has agreed to extend the due dates or cancel report backs to SDC related to tertiary education as listed in the table attached to this memorandum.

Katherine Noble  
Secretary



**Copies to:**

- Cabinet Social Development Committee
- Chief Executive, DPMC
  - Heather McCauley, DPMC
- Secretary to the Treasury
- Chief Executive, Ministry of Economic Development
- Chief Executive, Ministry of Social Development
- Secretary of Labour (Employment Policy)
- Chief Executive, Ministry of Education (Tertiary)
- General Manager, Tertiary Education Commission
- Chief Executive, Ministry of Pacific Island Affairs
- Director-General of Health
- Chief Executive, Ministry of Education
  - State Services Commissioner
- Minister of Research, Science and Technology
  - Chief Executive, Ministry of Research, Science and Technology
- Secretary of Labour
- Chief Executive, Te Puni Kokiri
- Minister of Defence
  - Secretary of Defence
  - Chief of Defence Force
- Chief Executive, Ministry of Women's Affairs
- Chief Executive, Ministry of Youth Affairs
- Minister for Ethnic Affairs
  - Secretary for Internal Affairs (Ethnic Affairs)

Subject	Reference	Due Date	New Due Date
<b>Tertiary Education Reform:</b> First year of the Tertiary Education Commission (TEC) operations - update on progress over the 9 months since the establishment of the TEC on 1 Jan 2003	CAB Min (02) 18/11	1 March 2003	November 2003
<b>Tertiary Education Performance Based Research Fund:</b> Options for meeting the full costs of the activities for which the TEC will have responsibility	CAB Min (02) 32/13	31 March 2003	Cancelled
<b>Tertiary Education Funding:</b> Report, in consultation with TEC, on when (under what circumstances) and how funding of high cost programmes and areas of low strategic relevance would be limited.	POL Min (02) 10/5  SDC Min (02) 5/1	30 September 2002  30 June 2003	1 December 2003
<b>Bright Futures Scholarships:</b> Further review of the Top Achiever Doctoral and Enterprise Scholarships	EHC Min (01) 3/3	30 June 2003	February 2004
<b>Tertiary Education Performance Based Research Fund (PBRF):</b> Impacts of the PBRF as determined by modelling of impacts following the quality evaluation, plus recommendations	CAB Min (02) 32/13	31 March 2004	June 2004
<b>Tertiary Education Funding Review: Industry Training:</b> Report, in consultation with the TEC and relevant departments, on an appropriate level for the standard training measure (STM) rate, the timeframe for transition and how the potential risks will be managed	SDC Min (03) 8/2	September 2003	November 2003
<b>Tertiary Education Framework for Foundation Learning:</b> Reports, in consultation with relevant departments and the TEC, and following consultation with the Foundation Learning Working Group, on (1) funding framework for Foundation Learning, and (2) Foundation Skills implications for Training Opportunities and Youth Training	SDC Min (03) 6/3	30 September 2003	31 December 2003
<b>Tertiary Education Funding Framework for Adult and Community Education (ACE):</b> Report, in consultation with the TEC, on the funding arrangements for ACE, including performance criteria, to apply to all ACE providers from 2005	SDC Min (03) 6/4	30 September 2003	30 November 2003



MDR

# Cabinet Social Development Committee

## SDC Memo (04) 16/4

26 July 2004

### Decision of the Chair

Copy No: 21

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## Further Extension of Report Back: Review of Bright Future Scholarships

The Acting Chair of the Cabinet Social Development Committee (Hon Annette King) has:

- 1 **noted** that on 9 April 2001, Cabinet directed the Ministry of Education to further review the Top Achiever Doctoral and Enterprise Scholarships and report to the Cabinet Education and Health Committee by 30 June 2003 [CAB Min (01) 11/1B];
- 2 **noted** that the due date for the report in paragraph 1 was extended to February 2004 [SDC Memo (03) 24/2];
- 3 **agreed** to further extend the due date for the report in paragraph 1 to 8 September 2004.

Katherine Noble  
Secretary



- Copies to:**
- Cabinet Social Development Committee
  - Chief Executive, DPMC
    - Heather McCauley, DPMC
  - Secretary to the Treasury
  - Chief Executive, Ministry of Economic Development
  - Chief Executive, Ministry of Social Development
  - Chief Executive, Ministry of Education (Tertiary)
  - Chief Executive, Ministry of Pacific Island Affairs
  - Chief Executive, Ministry of Education
  - Minister of Research, Science and Technology
    - Chief Executive, Ministry of Research, Science and Technology
  - Chief Executive, Te Puni Kokiri
  - Minister of Labour
    - Secretary of Labour
  - Chief Executive, Ministry of Women's Affairs

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Tertiary Education Report: **Enterprise Scholarship Scheme Report Back  
Due December 2005**

<b>Date:</b>	2 February 2006	<b>TEC Priority:</b>	High
<b>Security Level:</b>	In confidence	<b>Report Number:</b>	
		<b>Minister's Office Number:</b>	

**Action Sought**

	<b>Action Sought</b>	<b>Deadline</b>
Minister for Tertiary Education Hon Dr Michael Cullen		

**Contact for Telephone Discussion (if required)**

<b>Name</b>	<b>Position</b>	<b>Telephone</b>		<b>1st Contact</b>
Clare Ward	Group Manager – Steering and Investment	462 5200	027 492 0312	√

Enclosure: No

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3 Feb 2006

## Tertiary Education Report: **Enterprise Scholarship Scheme Report Back Due December 2005**

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### Proposal

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- 1 This report proposes that you grant a deferral of the report due back to Education Ministers in December 2005 [S03/2523] on additional changes to the Enterprise Scholarship Scheme in relation to improving take-up, until December 2006.

### Background

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- 2 The Bright Future scholarships scheme supports people to conduct research. Bright Future includes two scholarships: Top Achiever Doctoral Scholarships (TADS) and Enterprise Scholarships (ENTS).
- 3 The focus of the ENT and TAD scholarships are closely aligned with the aims of the Tertiary Education Strategy 2002/07 (TES). Of particular relevance is Strategy Four: *Strengthen Research, Knowledge Creation and Uptake for our Knowledge Society*.
- 4 ENTS support New Zealand students, in partnership with private companies, to undertake a course of study involving a significant research component at a New Zealand tertiary education institution. Half of the funding for a student is provided by the company and this is matched by the government contribution.
- 5 TADS recognise, support and reward excellent post-graduate New Zealand students. This scheme supports research at PhD level in all disciplines, at New Zealand tertiary education institutions or appropriate overseas institutions.
- 6 The TAD and ENT scholarships are funded through Vote Education. The annual budget for 1 July 2005 – 30 June 2006 is \$8,064,000 for ENTS and \$10,000,000 for TADS.

### Issues Relevant to Bright Future Scholarships

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- 7 Since the Bright Future Scholarship scheme's inception in 1999, ENTS has consistently underspent. For the 2004/05 year, the estimated spend was \$1.467 million out of an appropriation of \$8.064 million, resulting in an under-spend of approximately \$6.5978 million for the past financial year.

- 8 The Ministry of Education is currently preparing a paper for you about funds that support enhancing firm and tertiary education sector linkages, including the future of ENTS.
- 9 This draft report referred to the then Associate Minister of Education (Tertiary Education) directing the TEC to report back to Education Ministers in December 2005, once recommended additional changes to the ENTS scheme in relation to improving take-up have been implemented.
- 10 These changes have not yet commenced due to a delay in the above paper however the TEC are in the process of implementing interim administrative changes to improve take-up as follows:
- Accepting scholarship applications at any time of the year, with monthly batch processing; and
  - Allowing, where pre-specified criteria are met, applications with a detailed plan to be submitted later according to an agreed timetable.
- 11 Since there has been no recommendation in the latest draft paper to the delivery agent and the paper is not likely to be rushed through, we should continue on the basis that the TEC is likely to keep ENTS which gives us some time to work on improved uptake.

#### Recommendation action

---

- 12 It is recommended that you:
- a **Note** the contents of this report; and
  - a **Agree** to grant a deferral of the report due back to Education Ministers in December 2005 [S03/2523] on additional changes to the Enterprise Scholarship Scheme in relation to improving take-up, until December 2006.

AGREE/DISAGREE

**Pauline Barnes**  
Steering and Investment, Acting Group Manager

**Hon Dr Michael Cullen**  
Minister for Tertiary Education

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## Education Report: Deferral of the Report on the Review of the Bright Future Scholarship Scheme

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**Date:** 23 November 2007      **Education Priority:** Low  
**Security Level:** In Confidence      **METIS No:** 239737

### Action Sought

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Action Sought	Deadline
Minister of Tertiary Education	Agree to seek a deferment for the report to Cabinet on the review of the Bright Future Scholarship Scheme in order to align it with the report on the Advanced Skills Action Plan.

### Contact for Telephone Discussion (if required)

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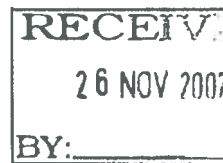
Name	Position	Telephone	1st Contact
██████████	██████████	██████████	✓
██████████	██████████	██████████	

Enclosure: Yes

**Minister's Office to Complete:**

- Noted                       Seen                       Approved  
 Needs change            Withdrawn               Overtaken by Events

**Comments:**



**Education Report: Deferral of the Report on the Review of the Bright Future Scholarship Scheme**

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**Recommended Actions**

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We recommend that the Minister of Tertiary Education:

- a. **note** that the Ministry of Education and the Treasury, in conjunction with the Tertiary Education Commission (TEC) are required to review the Bright Future Scholarship Scheme in 2007 as part of a regular three-yearly review process,
- b. **note** that the former Minister of Tertiary Education agreed that the 2007 review of the Bright Future Scholarship Scheme should be undertaken within the wider context of support for research, science and technology and the development of the Advanced Skills Action Plan by the Ministry of Research Science and Technology, and
- c. **agree** to seek a deferral for the report back on the 2007 review of the Bright Future Scholarship Scheme until April 2008, in order to align it with the report back on the development of the Advanced Skills Action Plan.

AGREE/DISAGREE



**Andrea Schollmann**  
Group Manager  
Tertiary Education Policy



**Hon Pete Hodgson**  
Minister of Tertiary Education

25/11/7

*The Deputy Head the time he was in charge, but I'm not sure how to secure resources setting down with international students scholarships before April 08 - we do have the budget*

## Education Report: Deferral of the Report on the Review of the Bright Future Scholarship Scheme

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### Purpose of Report

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1. Attached for your signature is a memorandum to the Chairs of the Cabinet Policy (POL) and Economic Development (EDC) Committees. It requests an extension to the report on the review of the Bright Future Scholarship Scheme.
2. The Ministry of Education and the Treasury, in conjunction with the Tertiary Education Commission (TEC) are required to review the Bright Future Scholarship Scheme in 2007 [SDC Min (04) 26/1 refers) as part of a regular three-yearly review process. The scheme was reviewed in 2001 and 2004.
3. The previous Minister of Tertiary Education indicated that the 2007 review of the scholarship scheme should consider both education outcomes and the contribution these scholarships make to research, science and technology. For this reason he agreed to the review being undertaken within the wider context of support for research, science and technology and the development of the Advanced Skills Action Plan (ASAP) for research, science and technology (METIS No 233976 refers). The ASAP is currently being developed by the Ministry of Research, Science and Technology.
4. The reason for this deferral is to align the report back of the Bright Future Scholarship Scheme with that of the ASAP in April 2008.

### The Bright Future Scholarships

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5. The Bright Future Scholarships package, which consists of Top Achiever Doctoral Scholarships and Enterprise Scholarships, was introduced in 1999 and was designed to:
  - signal the importance of high level skills and abilities for New Zealand's future development;
  - assist in focussing research into areas associated with the knowledge economy;
  - encourage stronger education/enterprise linkages; and
  - increase the supply of highly trained/skilled researchers and graduates.
6. Top Achiever Doctoral Scholarships recognise and reward excellent New Zealand doctoral students. This scheme supports research at PhD level in all disciplines at New Zealand tertiary education institutions or appropriate overseas institutions. It is fully funded by the government and provides support for 36 months of study. While this may involve part or full-time study, it is expected that most scholarships will support students engaged in full-time study. The scholarships fund annual stipends of \$25,000 in addition to other



expenses such as conference attendances and annual course fees. Total funding for Top Achiever Doctoral Scholarships in 2007 is \$10 million.

7. Enterprise Scholarships support New Zealand students, in partnership with private companies, to undertake a course of study involving a significant research component at a New Zealand tertiary education institution. The amount of government funding ranges between \$3,000 for a Level 7 qualification to \$12,500 for a doctorate. Enterprises, providers and students jointly submit scholarships proposals. Total government funding available for Enterprise Scholarships in 2007 is \$4 million.<sup>1</sup>
8. The Bright Future Scholarships are part of a wider system of support for research, science and technology; both within and beyond tertiary education. The scholarship scheme had been administered by the Foundation for Research, Science and Technology (FoRST) under contract from the Ministry of Education and the Tertiary Education Commission (TEC). In 2004, however, the TEC became responsible for the administration of the scholarship scheme.
9. Since the inception of the scheme, reviews have been undertaken in 2001 and 2004. Both of the reviews concluded that the Top Achiever Doctoral Scholarship scheme has been operating successfully (e.g. meeting uptake targets) and no changes have been made to this scheme. The reviews also found, however, that the Enterprise Scholarship Scheme has suffered from low uptake rates and this has led to significant baseline reductions.

#### Bright Future Scholarships and the Advanced Skills Action Plan

10. The Advanced Skills Action Plan (ASAP) for research, science and technology, which is currently being developed by the Ministry of Research, Science and Technology (MoRST), recognises that central to the development of an effective system of research, science and technology in New Zealand is the need to invest in the retention and recruitment of a talented and highly skilled workforce. The overall aim of the action plan is to attract and retain top performing people in the New Zealand research, science and technology sector. In terms of scholarships the action plan proposes that:
  - the complexity of investment in research, science and technology scholarships and fellowships be reduced, and
  - the investment in research, science and technology scholarships be refocused and expanded.
11. This will allow for the Bright Future Scholarship Scheme to be considered within the wider context of government support for research, science and technology, rather than as a stand alone education sector intervention. Bright Future Scholarships account for approximately 20 percent of government expenditure on the development of advanced skills in research, science and technology. It is therefore appropriate that they are considered alongside other government interventions in this area.

<sup>1</sup> Actual expenditure on Enterprise Scholarships as at 31 July 2007, however, was only \$1.046 million.





**Office of Hon Pete Hodgson  
MP for Dunedin North**

Minister for Economic Development  
Minister for Tertiary Education  
Minister of Research, Science and Technology

28 NOV 2007

Chair  
Social Development Committee

**DEFERRAL OF CABINET REPORT BACK: THE BRIGHT FUTURE  
SCHOLARSHIP SCHEME**

The Ministry of Education and the Treasury, in conjunction with the Tertiary Education Commission (TEC), are required to review the Bright Future scholarship scheme in 2007 [SDC Min (04) 26/1 refers] as part of a regular three-yearly review process.

I have directed officials to undertake this review in the context of a wider review of government support for research, science and technology, and the development of an Advanced Skills Action Plan (ASAP) for research, science and technology. The ASAP is currently being developed by the Ministry of Research, Science and Technology (MoRST).

I seek your agreement to delay the 2007 report back of the review of the Bright Future Scholarship scheme until April 2008 to align it with the report back for the ASAP.

Hon Pete Hodgson  
Minister for Tertiary Education

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# Cabinet Policy Committee

In Confidence

POL Min (08) 18/19

Copy No: 26

## Minute of Decision

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### Triennial Review of Bright Future Scholarships

Portfolio: Tertiary Education

On 24 September 2008, the Cabinet Policy Committee (POL):

- 1 **noted** that in 2004, the Cabinet Social Development Committee agreed that the Ministry of Education and the Treasury, in conjunction with the Tertiary Education Commission, would review the Bright Future Scholarships on a three-yearly basis [SDC Min (04) 26/1];

### Top Achiever Doctoral scholarships

- 2 **noted** that the objectives of Top Achiever Doctoral scholarships are aligned to the Tertiary Education Strategy and the Advanced Skills Action Plan;
- 3 **noted** that Top Achiever Doctoral scholarships have high uptake, retention, and completion rates, and are meeting their policy objectives;
- 4 **agreed** that the Top Achiever Doctoral scholarships scheme be retained unchanged;

### Enterprise scholarships

- 5 **noted** that Enterprise scholarships continue to have low uptake rates, and have not fully succeeded in meeting policy objectives;
- 6 **agreed** that the Enterprise scholarship scheme be discontinued from 1 July 2009;
- 7 **agreed** that students who have already been awarded Enterprise scholarships be grand-parented until the end of their existing entitlement;
- 8 **invited** the Minister for Tertiary Education to report back to the Cabinet Business Committee as soon as possible with new proposals for the use of the funds released by the cessation of the Enterprise scholarship.

*Janine Harvey*  
 Janine Harvey  
 Secretary

Reference: POL (08) 320

Copies to: (see over)

**Present:**

Rt Hon Helen Clark (Chair)  
Hon Dr Michael Cullen  
Hon Pete Hodgson  
Hon David Cunliffe  
Hon Ruth Dyson  
Hon David Parker  
Hon Clayton Cosgrove  
Hon Steve Chadwick  
Hon Maryan Street  
Hon Shane Jones  
Hon Judith Tizard

**Officials present from:**

Office of the Prime Minister  
Department of the Prime Minister and Cabinet

**Copies to:**

Cabinet Policy Committee  
Chief Executive, DPMC  
Director PAG, DPMC  
PAG Subject Advisor, DPMC  
Secretary to the Treasury  
Secretary for Education (Tertiary)  
Chief Executive, Tertiary Education Commission  
Chief Executive, Ministry of Research, Science and Technology  
Associate Minister for Tertiary Education (Hon Maryan Street)  
Secretary CBC

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File reference: A427479

## Memorandum

**To:** David Nicholson  
**From:** [REDACTED]  
**Date:** 28 October 2008  
**Subject:** **Bright Futures – Top Achiever Doctoral Scholarships (TADS)**

The question of future management of the Top Achiever Doctoral Scholarships (TADS) has been under consideration for some time. In part, this was a result of the review of the Bright Futures Scholarship funds. The review was completed earlier this year resulting in a cabinet decision agreeing the termination of the Enterprise Scholarship Fund.

The TADS will continue at the same appropriation:

1. \$10M p.a. for scholarships – actual available funding varies year by year as these are scholarships of up to three years with varying start dates.
2. \$0.1M p.a. for administration costs – of this cost the current budget for the two Reference Group meetings totals \$30,600 p.a.

There has been some internal discussion as to the viability of transferring operational administration of this fund to NZVCC Scholarships Committee which already administers 40 scholarships on behalf of a range of organisations and trusts.

The guidelines and process documentation for the TADS fund have now been developed and would be a good basis for NZVCC to consider the implications of administering the fund.

The TADS fund has 2 rounds per year with the next round closing in December 2008, and the external reference group meeting scheduled for late January 2009 to consider applications.

There are a number of advantages both for universities and the TEC in transferring administration of the TADS process to NZVCC:

1. There would be the potential to align the application process with other scholarships administered by NZVCC and thereby reduce the number of separate application processes for universities and students.

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2. Current NZVCC processes leverage the skills and knowledge of the university Scholarships Offices in screening potential applicants for eligibility and quality. This does not currently happen as students can apply directly to the TEC without going through the Scholarships Offices.
3. There has been an ongoing issue with the calculation of the Grade Point Average (GPA) (currently calculated by the TEC Service Centre staff) which, if screened by the university scholarships offices would remove this problem. There have also been further difficulties for the TEC in the overall administration of this fund.

**Recommendation:**

That the TEC formally explore the possibility of transferring operational administration of the TADS fund to the NZVCC from 1 January 2009, with initial discussions to be at the next SMT Ops meeting.

 M.M. [Signature]

  
David Nicholson  
Director – Tertiary Network

– agreed to be further investigated and a proposal to be developed and coded  
Approve/Not Approve:  
3/11/02

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## Top Achiever Doctoral Scholarships (TADS)

### Recommendations

- 1 It is recommended that SMT Ops:
- 2 Agree to TEC officials meeting with the NZVCC to discuss the possibility of transferring the administration of the Top Achiever Doctoral Scholarships (TADS) Fund to the NZVCC scholarships committee.

### Purpose

- 3 To provide the TEC SMT Ops with background information on the fund and the proposed process for administration of the fund by the NZVCC.

### Introduction

- 4 The Top Achiever Doctoral scholarship scheme has an annual appropriation of \$10.0 million plus \$0.1 million for administration (baseline operational), and supports our top doctoral students. The TADS fund performance was reviewed as part of the Ministry of Education review of the Bright Scholarships fund. This review concluded that this scheme continues to operate effectively, with high uptake, retention and completion rates and has been successful in attracting a high standard of applicants across a wide range of disciplines and retaining them in New Zealand. The review recommendation was that the Top Achiever Doctoral scheme be retained without change.
- 5 The objectives of Top Achiever Doctoral scholarships are to recognise, reward and support our top doctoral students, provide access to the best educational opportunities in the world and encourage them to remain in, or return to, New Zealand to increase the supply of, and opportunities for, graduates at doctoral level. These scholarships are targeted toward supporting the top ten percent of doctoral students. Applicants must have an average academic achievement equivalent to AA+ for the final two years of their prerequisite degree before they will be considered for an award.
- 6 A total of 653 scholarships have been awarded since the scholarships were introduced in 1999. TADS is one of the largest government funded scholarship schemes, with an annual appropriation of \$10 million, in addition to \$0.100 million for administration.
- 7 There are two funding rounds per year – May and December. On average around 30 students are funded in May and 50 in December. The fund is not fully allocated and last year around \$2.5m was returned to the Crown.

### Analysis and Commentary

#### Background

- 8 With an increasing emphasis on post-graduate study at universities, it is likely that this will result in an increased number of potential candidates for this



scheme. If that occurs the scheme may well achieve full allocation and this would provide the opportunity to preferentially support students undertaking research in high priority areas. This could include, for example, those areas being proposed as part of the work on areas of focus being led by the Ministry of Economic Development and other government priorities.

- 9 There has been some internal TEC discussion as to the viability of transferring operational administration of this fund to the NZVCC Scholarships Committee which already administers approximately 40 scholarships on behalf of a range of organisations and trusts. The guidelines and process documentation for the TADS fund have now been developed and would be a good basis for the NZVCC to consider implications of administering the fund.
- 10 Previous discussions with the NZVCC Scholarships Committee Chair indicate that NZVCC is interested in widening the scholarships that the committee manages on behalf of other organisations, particularly those scholarships that support students with high levels of achievement. NZVCC currently administers a number of scholarships on behalf of government entities e.g., NZAID's international scholarships, Land Transport New Zealand, Public Trust, and a number of not-for-profit organisations. The total value of scholarships administered by NZVCC is around \$3-4m per year.
- 11 There are benefits that would arise from transferring administration of the scholarships funding by the NZVCC. These are:
  - University Scholarships Offices would have more involvement in screening applications against the fund eligibility criteria.
  - The ongoing issue with regard to calculating the GPA would be resolved as universities would screen applicants and the GPA calculation would be the same as for all NZVCC scholarships which is well known to university.
  - The current reference group would be replaced by the NZVCC Scholarships committee which meets on a regular basis and, as with the current TADS reference group, accesses expert peer review if required.
  - With a strong focus on scholarships and close interactions with university scholarships officers NZVCC, by administering the TADS fund, would be in a strong position to improve uptake of the scholarships by elite students.

#### *Possible Process*

- 12 Based on the processes currently in place for administration of other scholarships by the NZVCC it is not envisaged that there would be any significant problems arising if administration of the TADS fund was transferred to the NZVCC.
- 13 As with scholarships administered for other organisations NZVCC would likely manage the process as follows:
  - 13.1 NZVCC would be contracted to provide administrative services in relation to the TADS fund:

- 13.2 The information regarding the TADS fund would remain on the TEC website and NZVCC would also include TADS in the NZVCC scholarships information page with a link to TEC website.
- 13.3 The application dates would be in agreement with TEC and NZVCC and would be on both websites.
- 13.4 Applications would be submitted in line with other NZVCC scholarships e.g. through the university scholarships offices (including those for overseas study). Sufficient hard copies of the applications for the Selection Committee would be provided by the submitter to the NZVCC.
- 13.5 NZVCC would convene the Selection Committee who would make recommendations for scholarships to the TEC.
- 13.6 The TEC will approve the scholarships.
- 13.7 NZVCC would agree communications timeframe and prepare the letters to applicants on behalf of TEC – letters would be signed by the TEC delegated authority (NZVCC sign on behalf of other organisations).
- 13.8 TEC would co-ordinate the external communications (Minister's announcement)
- 13.9 TEC would contract and make payments via the Service Centre – the Service Centre would remain responsible for managing cash flow.

#### Conclusion

- 14 It is recommended that the transfer of the administration of the TADS fund be further investigated and the associated savings in resource costs identified. A proposed process, timeline and costing could then be agreed for consideration by TEC SMT Ops.

Report prepared by:

[REDACTED]

[Signature]

Report approved by  
Ruth Anderson  
Group Investment Manager - Universities

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# COPY Cabinet

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CAB Min (08) 41/14

## Minute of Decision

Copy No: 20

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## Additional Item: Accelerating High-Technology Industry Development: Trilateral Projects

Portfolio: Economic Development

On 4 November 2008, Cabinet noted that the Group of Ministers with Power to Act over the pre-election period [CAB Min (08) 38/20] had:

- 1 noted that the Foundation for Research, Science and Technology, New Zealand Trade and Enterprise, and the Tertiary Education Commission (Trilateral agencies) are collaborating to coordinate activity and investment;
- 2 noted that the Trilateral agencies have developed two projects which they consider could have a significant economic impact through the application of titanium powder technology and high temperature superconductor technology to develop new products and services;
- 3 noted that funding is required in 2008/09 to support development of a full commercial business plan, further research and development in relation to the Trilateral projects, including applied research projects, build industry cohesion including negotiation of private sector investment to support industry growth, and put in place the necessary training and tertiary research to support the skills and development needs of the sectors;
- 4 agreed to support the development of the two Trilateral Projects:
  - 4.1 applications of titanium powder;
  - 4.2 high temperature superconductor technology;
- 5 agreed to establish a new Non-Departmental Other Expense appropriation "Trilateral Projects" in Vote Economic Development;
- 6 agreed that the appropriation scope shown in the Estimates will be "This appropriation is limited to administration of and support for Trilateral industry development projects that involve New Zealand Trade and Enterprise, the Foundation for Research, Science and Technology, and the Tertiary Education Commission";



- 7 approved the following changes to appropriations to implement the Trilateral projects this financial year, drawing on the Innovation Contingency, with a corresponding impact on the operating balance:

Vote Economic Development Minister for Economic Development	\$m – increase/(decrease)				
	2008/09	2009/10	2010/11	2011/12	2012/13 & Outyears
Non-departmental Other expense: Trilateral Projects	1.250	-	-	-	-
<b>Total Operating</b>	<b>1.250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

- 8 noted that the changes to appropriations in paragraph 7 above will be a charge against the Innovation Contingency of Budget 2008 [CAB Min (08) 14/1 (43)];
- 9 agreed that the proposed changes to appropriations for 2008/09 above be included in the 2008/09 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 10 noted that Trilateral projects require long-term commitment and may require follow up support and development beyond the activity planned in 2008/09; and that Trilateral agencies may also identify additional activities that could extend economic outcomes in these areas;
- 11 noted that Cabinet on 29 September 2008 confirmed the Cabinet Policy Committee (POL) decision that the Enterprise Scholarships scheme within Vote Education be discontinued from 1 July 2009 [CAB Min (08) 38/3];
- 12 noted that POL also agreed that students who have already been awarded Enterprise Scholarships will be grand-parented until the end of their existing entitlement [POL Min (08) 18/19];
- 13 agreed to transfer the savings from Enterprise Scholarships to the Innovation Contingency, so that the reprioritised funding can be considered at Budget 2009 for Trilateral or other innovation initiatives;
- 14 approved the following changes to appropriations to discontinue funding for Enterprise Scholarships, with a corresponding impact on the operating balance:

Minister for Tertiary Education	\$m – increase/(decrease)					
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14 & Outyears
Benefits and Other Unrequited Expenses: Tertiary Scholarships	-	(3.200)	(3.450)	(3.700)	(3.900)	(4.200)

- 15 agreed that the Innovation Contingency established at Budget 2008 [CAB Min (08) 14/1(43)] is increased by a corresponding amount in paragraph 14;

- 16 directed the Trilateral agencies, in consultation with the Ministry of Economic Development, Ministry of Research, Science and Technology, Ministry of Education, and Ministry of Foreign Affairs and Trade, to report to the Minister of Finance, the Minister for Economic Development, the Minister of Research, Science and Technology, and the Minister for Tertiary Education by 27 February 2009, with a developed business case for consideration of the Trilateral projects in Budget 2009.

*Rebecca Kitteridge*

Secretary of the Cabinet

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**Distribution:**

Prime Minister  
Chief Executive, DPMC  
Director PAG, DPMC  
Minister of Finance  
Secretary to the Treasury  
Hon Jim Anderton  
Minister of Trade  
Secretary of Foreign Affairs and Trade  
Chief Executive, New Zealand Trade and Enterprise  
Minister for Economic Development  
Chief Executive, MED  
Secretary for Education (Tertiary)  
Chief Executive, Tertiary Education Commission  
Chief Executive, Ministry of Research, Science and Technology  
Executive Director, CCMAU (CRIs)  
Minister of Education  
Secretary for Education  
Controller and Auditor-General

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**Tertiary Education Report: Further advice on Enterprise Scholarships disestablishment and Max Bradford OIA complaint**

Date:	28 January 2009	Priority:	Medium
Security Level:	In Confidence	METIS No:	312105
		Minister's Office Number:	

**Action Sought**

Addressee	Action Sought	Deadline
Minister for Tertiary Education	Note, agree	

Enclosure: No      Round Robin: No

**Contact for Telephone Discussion (if required)**

Name	Position	Telephone	Cell	1 <sup>st</sup> Contact
Karl Woodhead	Senior Manager, Tertiary Policy	463 8471	027 494 0418	X
Chris Ford	Universities Group, Tertiary Education Commission	462 5178	027 471 0773	

**The following departments/agencies have seen this report:**

- CMAU     ERO     FRST     MoE     MED     MFaT     MoH  
 MoRST     MSD     NZQA    NZT&E     TEC     TPK    Treasury

Other \_\_\_\_\_

- Minister's Office to Complete:**
- |   |  |
|---|--|
| <input type="checkbox"/> Approved             | <input type="checkbox"/> Declined            |
| <input type="checkbox"/> Noted                | <input type="checkbox"/> Needs change        |
| <input type="checkbox"/> Seen                 | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn           |

**Comments:**

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## **Tertiary Education Report: Further advice on Enterprise Scholarships disestablishment and Max Bradford OIA complaint**

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### **Executive Summary**

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In September 2008, Cabinet agreed, as recommended by the previous Minister for Tertiary Education, that the Enterprise Scholarships scheme would be disestablished on 1 July 2009 as uptake rates were consistently very low and administration costs were high for the number of awards. 1 July 2009 was chosen to provide adequate time for the disestablishment to be communicated and for students, firms and institutions to complete any unfinished research proposals and applications.

This paper gives you the option to bring the date for disestablishment forward to 1 April 2009, saving approximately an additional \$120,000. It is recommended that you bring the date forward to 1 April, which would create extra savings but also allow the Tertiary Education Commission and scholarships offices time to publicly communicate the disestablishment.

This paper also provides background on an outstanding Official Information Act complaint from Hon Max Bradford relating to Enterprise Scholarships. The complaint is centred on the 2008 Triennial Review of the Bright Futures scheme which provided the advice for the disestablishment of Enterprise Scholarships. The previous Minister for Tertiary Education chose to withhold this document until the disestablishment was communicated publicly to avoid undue concern from students, firms and institutions.

Because the TEC plans to communicate the disestablishment of Enterprise Scholarships to the public immediately following confirmation of decisions in this paper, Ministry of Education officials can then also proceed with a reassessment of the Triennial Review for release. Ministry of Education officials will prepare, for your approval, advice on the release of the Triennial Review report, a letter to the Ombudsman explaining the course of events and a letter to Hon Max Bradford explaining your decisions relating to the report.

### **Recommended Actions**

---

It is recommended that the Minister for Tertiary Education:

- a. **note** that a 2008 review of Enterprise Scholarships found that the scheme was not meeting its objectives, as uptake rates were consistently very low and administration costs were high for the number of awards;
- b. **note** that, as recommended by the previous Minister for Tertiary Education, Cabinet agreed that the Enterprise Scholarships scheme should be discontinued

from 1 July 2009 and that current recipients should be grandparented until the end of their existing entitlement;

- c. **note** that 1 July 2009 was originally chosen to provide adequate time for the disestablishment to be communicated and for students, firms and institutions to complete any unfinished research proposals and applications;
- d. **note** that additional savings of approximately \$120,000 over three years could be made by bringing the disestablishment of Enterprise forward from 1 July to 1 April 2009;
- e. **agree that either:**
  - a. the disestablishment of Enterprise Scholarships continues as planned on July 1;

AGREE / DISAGREE

or

- b. the disestablishment of Enterprise Scholarships is brought forward to 1 April 2009;

AGREE / DISAGREE

- f. **note** that the disestablishment of Enterprise Scholarships will be communicated following your decisions in this briefing;

#### **Enterprise Scholarships disestablishment and Hon Max Bradford Official Information Act complaint**

- g. **note** that Hon Max Bradford made a complaint to the Ombudsman after the previous Minister for Tertiary Education withheld the Triennial Review of the Bright Futures Scheme from an Official Information Act release;
- h. **note** that because Cabinet made the decision to discontinue Enterprise Scholarships based on the information in the Triennial Review, the previous Minister for Tertiary Education decided that the Review should not be released until disestablishment of Enterprise Scholarships could be publicly communicated to avoid unnecessary concern and uncertainty for students, tertiary institutions and firms;
- i. **note** that you have been asked by the Ombudsman whether you concur with the decision of the previous Minister for Tertiary Education to withhold the Triennial Review;
- j. **note** that, because the TEC plans to communicate the disestablishment of Enterprise Scholarships to the public immediately following confirmation of decisions in this paper, Ministry of Education officials can then also proceed with a reassessment of the Triennial Review for release; and

- k. **note** that, following your decisions in this paper, we will provide you with advice on the release of the Triennial Review report, a letter to the Ombudsman explaining the course of events and a letter to Hon Max Bradford explaining your decisions relating to the report.



**Rob McIntosh**  
Deputy Secretary  
Strategy and System Performance

NOTED / APPROVED

**Hon Anne Tolley**  
Minister for Tertiary Education

\_\_\_/\_\_\_/\_\_\_

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## Tertiary Education Report: Further advice on Enterprise Scholarships disestablishment and Hon Max Bradford OIA complaint

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### Purpose of Report

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1. You have requested fuller advice on the merits of the disestablishment of Enterprise Scholarships and advice on whether this disestablishment could be brought forward from 1 July 2009. This report also advises you on the effect that communication of the disestablishment will have on an outstanding Official Information Act complaint by Hon Max Bradford.

### Background

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2. Enterprise Scholarships were introduced in 1999 as part of the Bright Futures Scheme. Enterprise scholarships support New Zealand students, in partnership with private companies, to undertake a course of study involving a significant research component at a New Zealand tertiary education institution. The scheme supports study and research (with a minimum of 20 percent research) at PhD, masters, honours, post-graduate diploma, post-graduate certificate and level 7 NQF (3rd or 4th year under-graduate) levels.
3. Applications are welcomed from students who have secured funding from a company, or from a company and host tertiary education institution with an agreed research project.
4. The Tertiary Education Commission holds monthly funding rounds for Enterprise Scholarships and applications are received on the first day of each month (or thereafter if this date falls outside a week day). Applications are screened by the TEC for eligibility and then forwarded to an external group of experts who make recommendations to the TEC. The Chief Executive of the TEC then makes the final funding decision.
5. Enterprise Scholarships aim to:
  - increase research effort and quality within the tertiary sector;
  - direct the focus of research into areas of relevance to enterprise;
  - encourage stronger tertiary/enterprise linkages; and
  - increase the supply of high-level graduates to contribute to New Zealand's innovation system.
6. The Enterprise Scholarships scheme has been reviewed triennially; the last such review was presented to the Cabinet Policy Committee on 24 September 2008.

### The 2008 review of Enterprise Scholarships and subsequent disestablishment

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#### Low uptake

7. The 2008 review of Enterprise Scholarships found that the scheme has struggled with low uptake. The 2001 review noted that the intention was to award 500

scholarships in 2000 but the actual number was 34. The next triennial review noted that applications and awards had continued to fall short of targets and had in fact decreased.

8. The number of awards peaked in 2004 when uptake improved temporarily following greater promotion of the scheme and a lowering of the minimum study level for eligibility from honours to degree level. The scheme has never used all of the available funds despite several reductions in the appropriation.
9. While five year completion rates at masters level are higher for scholarship recipients than the general population, it is questionable whether Enterprise Scholarships can significantly increase the supply of high-level graduates necessary to drive innovation, as 21 percent of the scholarships awarded in 2007 were used to support undergraduate study. The low number of awards indicates that the scheme is struggling to fulfil its objectives.
10. Low uptake also means that administration costs equate to over 20 percent of the value of annual awards. If uptake was optimal, this would be only three percent. The relative efficiency of the scheme is, therefore, very low.
11. Reasons for the failure of Enterprise Scholarships may include competition with other initiatives, such as the more successful Technology Innovation Fellowship, operated by the Foundation for Research Science and Technology. A lack of awareness of the scholarship among firms may also be a factor.

#### **Disestablishment**

12. Based on this information, the previous Minister for Tertiary Education recommended that Cabinet discontinue Enterprise Scholarships and that current recipients be grandparented until the end of their existing entitlement. Cabinet agreed to the proposal in September 2008 [POL Min (08) 18/19 refers].
13. On 4 November 2008 Cabinet noted that the Group of Ministers with Power to Act over the pre-election period [CAB Min (08) 38/20] had agreed to transfer the savings from Enterprise Scholarships' disestablishment to the Innovation Contingency. This funding could then be considered at Budget 2009, with the intention that it would be used either for Trilateral projects (which relate to investment in specific high-technology industry areas) or other innovation initiatives.

#### **End date**

14. Cabinet was advised that 1 July 2009 was a suitable date for the disestablishment of Enterprise Scholarships. The last day that applications would be accepted would be 1 May 2009.
15. There are two main reasons why 1 July 2009 was originally put forward as the date for disestablishment;
  - a. it would provide sufficient time for the decision to be communicated to firms, institutions and students; and
  - b. it would give potential applicants currently preparing research projects for submission time to submit them for approval.
16. An early discontinuation of Enterprise Scholarships would have the following effects:

- Students and firms who previously inquired to the TEC or scholarships offices about Enterprise Scholarships in 2008 could be aggrieved that planned applications would no longer be accepted in 2009;
  - It would give a smaller time window for the TEC to advise all those affected by the discontinuation of Enterprise Scholarships;
  - Scholarships offices may be insufficiently prepared to advise students that Enterprise Scholarships will not be accepted by the TEC;
  - Those wishing to upgrade their Enterprise Scholarship in 2009 to a higher qualification will be unable to do so; and
  - Approximately eight students will miss out on an Enterprise Scholarship by bringing the date of disestablishment forward to 1 April 2009. This will also disadvantage eight companies who would have agreed to co-fund their research projects.
17. The date for disestablishment could be brought forward to 1 April 2009, with final applications being accepted no later than 1 March 2009. It is estimated that this would generate further savings of \$52,120 from budget 2008/09 and \$120,000 of savings over three years.
  18. Recommendations from the December and January rounds, amounting to approximately \$151,000 over three years, are yet to be presented to the Chief Executive. This amounts to approximately \$38,750 in the 2008/09 year.
  19. Given that the TEC Chief Executive has the authority to make final funding decisions, technically, Enterprise Scholarships could be stopped immediately. However, students waiting to hear the outcome may have expectations that if their application is recommended by the Enterprise Scholarship Reference Group, they will receive approved funding.
  20. Officials recommend that the date be brought forward to 1 April 2009 to create greater savings. This would also allow sufficient time between public communication of the disestablishment and the deadline for applications on 1 March 2009.

#### **Effect on communications**

21. In December 2008 the TEC briefed you on a proposed communications plan for Enterprise Scholarship disestablishment. This communications plan would remain unchanged if the date for disestablishment was moved forward. Under that plan, key stakeholders would be notified in late January of the scholarship's disestablishment. Communication of changes would, therefore, begin immediately regardless of the decision made on the date for disestablishment.

#### **Financial Implications**

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22. On 4 November 2008, Cabinet Policy Committee approved the following changes to appropriations as a result of the discontinuation of Enterprise scholarships [Cab Min (08) 41/14].



	2008/09	2009/10	2010/11	2011/12	2012/13 and out years	2013/14 and out years
Benefits and Other Unrequited Expenses: Tertiary Scholarships		(3.200)	(3.450)	(3.700)	(3.900)	(4,200)

23. Moving the discontinuation of Enterprise forward would not affect the approved changes to appropriations.

### Effect on Max Bradford Official Information Act Request

24. On 8 July 2008 Hon Max Bradford submitted an Official Information Act (OIA) request relating to the Bright Futures Scholarship Scheme. In response to this request, the previous Minister for Tertiary Education released seven documents, with information withheld to protect the privacy of officials.
25. The 2008 Triennial Review of Bright Futures was withheld in full. Informed by the Triennial Review, Cabinet decided that Enterprise Scholarships should be discontinued.
26. At the time of the request, the review was withheld under sections 9(2)(f)(iv) and 9(2)(g)(i) of the Official Information Act 1982. This was because it is a constitutional convention that advice Cabinet receives from officials remains confidential until decisions are made. Cabinet did not decide the future of Enterprise Scholarships until 4 November 2008.
27. Mr Bradford made a complaint to the Ombudsman because the Triennial Review document was withheld. The previous Minister for Tertiary Education replied to the Ombudsman on 20 October 2008 explaining his decision to withhold the information. Each report was attached to this reply unedited for the Ombudsman's consideration. At that time it was discovered that, due to a referencing error, the Triennial Review originally withheld, dated 4 April, was in fact a draft unseen by the previous Minister for Tertiary Education. The final report, dated 24 April, was from then on considered the only one in scope of the request; however, both the draft and the final copy were forwarded to the Ombudsman in the interests of transparency and completeness.
28. The Ombudsman is now investigating this complaint and has asked whether you concur with the decisions of the previous Minister for Tertiary Education regarding this request.

### **Reassessment of the Triennial Review for release**

29. Releasing the information outside of the context provided by a wider communications strategy could have generated unnecessary concern and uncertainty for students, tertiary institutions and firms. Given that the TEC plans to communicate the disestablishment immediately following confirmation of the decisions made in this paper, the Triennial Review can also be reconsidered for release by officials at this time.

30. Officials will prepare, for your approval, advice on the release of the 24 April Triennial Review report, a letter to the Ombudsman explaining the course of events and a letter to Hon Max Bradford explaining your decisions relating to the report.

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Appendix 1 – List of Relevant Documents in previous response to Ombudsman

	Document	Date	Reference	Comment
1.	Bright Future Scholarships	7 March 2000	S99/1162	Released in full with the exception of information withheld under section 9(2)(a). <sup>1</sup>
2.	Review of Bright Future Scholarships	30 March 2001	EHC (01) 11	Report released in full.
3.	Review of Bright Future Scholarships	3 April 2001	EHC Min (01) 3/3	Minute released in full.
4.	Report Back on the Bright Future Scholarships	28 June 2004	S03/2423	Released in full with the exception of information withheld under section 9(2)(a).
5.	Review of Bright Future Scholarships	28 October 2004	SDC (04) 152	Report released in full.
6.	Review of Bright Future Scholarships	3 November 2004	SDC Min (04) 26/1	Minute released in full.
7.	Update- Improving the uptake of the Enterprise Scholarships scheme	19 December 2006	E/06/828	Released in full with the exception of information withheld under section 9(2)(a).
8.	The Triennial Review of the Bright Future scholarship scheme	4 April		Withheld in full under sections 9(2)(f)(iv) and 9(2)(g)(i). Due to referencing error is now considered a draft and, therefore, out of scope.
9.	The Triennial Review of the Bright Future scholarship scheme	24 April 2008	METIS 266515	Originally considered out of scope due to referencing error but subsequently withheld.

<sup>1</sup> Section 9(2)(a) protects the privacy of individuals including junior officials.



## **Aide Memoire: Top Achiever Doctoral Scholarships – further information**

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**To:** Hon Dr Wayne Mapp  
**From:** David Nicholson, Director, Tertiary Investment and Monitoring  
**Date:** 17 September 2009  
**Reference:** AM/09/10209

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### **Purpose**

- 1 The Tertiary Education Commission (TEC) recently provided you with historical data and information on Top Achiever Doctoral Scholarships (TADS) [B/09/10208].
- 2 You have requested further information on when the recommendation was made to discontinue TADS, and on what basis the decision was made. This aide memoire provides the further information requested.

### **TADS – timing of discontinuation**

- 3 The policy decision to discontinue TADS was taken in March 2009. The key policy decision is contained in a paper submitted to the Cabinet Expenditure Control Committee (ECC) in March 2009 by the Minister for Economic Development *Reversing Unfunded Budget 2008 Commitments for Economic Transformation: Innovation* [ECC (09) 12 and ECC Min (09) 6/2].
- 4 Following the ECC decision, the discontinuation of funding for TADS was announced as part of Budget 2009. The May 2009 round was the last applications round for TADS [S/09/839].
- 5 Scholarships have been awarded for applications that were received in May 2009. All students currently receiving TADS, including those awarded scholarships in May 2009, will continue to receive funding as per their individual allocations and contracts.
- 6 Funding commitments to scholars in the final round will cover a period of up to 36 months. From 2009/2010, the baseline funding through Vote Education for TADS reduces to the amount needed to honour existing commitments.

### **TADS – rationale for discontinuation**

- 7 In light of the current economic downturn and the need to reprioritise spending in the tertiary education sector, the decision to disestablish the TADS fund was made because TADS was under-spending and scholarships were considered a lower priority than tuition subsidies. Interest-free Student Loans are considered to reduce barriers sufficiently that TADS are no longer seen as a priority for funding.
- 8 Low uptake was not a factor in the decision, as the TADS fund constantly received ample numbers of quality applications.
- 9 The cessation of TADS has been offset by increased funding for student support, including bonding initiatives for graduates, a summer scholarships scheme, and the ten percent repayment bonus for voluntary Student Loan repayments.

- 10 The voluntary bonding schemes for new graduates working in health, veterinary science and teaching professions aim to more directly reduce the debt of graduates working in areas of skill shortage, and to keep these skilled graduates in New Zealand.
- 11 The Government is also providing \$4 million to pay for summer research scholarships at universities in 2009/10, as an outcome of the Prime Minister's Job Summit earlier this year. This funding is to be matched by universities, and will assist approximately 1,600 students to secure paid scholarships over the summer holidays.

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**APPENDIX TWO: TADS REFERENCE GROUP**

<i>Year</i>	<i>Name</i>	<i>Institution/Organisation</i>
1999 - 2001	Dr Chris Kirk	Massey University
1999 - 2001	Dr Chris Cunningham	Health Research Council
1999 - 2001	Dr Christian Cook	Ruakura Research Centre
1999 - 2001	Professor David Parry	Massey University
1999 - 2001	Mr Des Scott	Tru-Test
1999 - 2001	Professor Helen Tippett	Victorial University
1999 - 2001	Mr Jonathon Mane-Wheoki	University of Canterbury
1999 - 2001	Mr Lincoln Gould	Victorial University
1999 - 2001	Professor Margaret Loutit (chair)	University of Otago
1999 - 2001	Ms Raewyn Cranch-Shaw	Sir George Seymour National College of Tourism
2000 - 2004	Professor Marston Conder	University of Auckland
2000 - 2008	Dr Jacqueline Rowarth	Lincoln University
2000 - 2008	Dr Nikola Kasabov	University of Otago
2000 - 2008	Professor Paul Spoonley (Chair)	Massey University
2000 - 2008	Professor Terry Sturm	University of Auckland
2001	Mr John Holdem	Keam Holdem Associates Ltd
2002 - 2003	Professor John Broughton	University of Otago
2002 - 2008	Dr Andrew Nicol	Institute of Geological & Nuclear Sciences Limited
2002 - 2008	Dr Steve Lorimer	New Zealand Institute for Crop & Food Research Limited
2003 - 2008	Dr Chris Hale	Plant Protection Commission
2003 - 2008	Dr Jenny Neale	Victoria University
2003 - 2008	Professor Mike O'Sullivan	University of Auckland
2004 - 2008	Dr Brian Earl	University of Canterbury
2007 - 2008	Professor Warwick Slinn	Massey University