MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HIKINA WHAKATUTUKI

Wellington 'Science City' Proposal

Overall Purpose

Make Wellington a vibrant, resilient, and adaptable centre of research, science and innovation before 2030 by bringing the research community closer together to increase collaboration and performance.

Terms of Reference for first phase

To develop options and a recommended configuration for the institutional footprint within the Wellington region that best supports enhanced performance of the RSI system, a plan that outlines the process and decision points to achieve this and an estimate of potential costings for consideration by Ministers.

1 November 2022

Background

1. Global threats such as climate change and COVID-19 highlight the importance of harnessing science to address societal issues and enhance well-being. Collaboration between scientists and institutions drives better Research Science and Innovation (RSI) outcomes and is a theme of the government's broader Te Ara Paerangi – Future Pathways programme[1]. Greater levels of connectivity are being designed into the arrangements between public research organisations and universities internationally. This starts with scientists being closer together; and being able to mobilise teams to use space and kit in flexible ways to tackle the needs of the day.

2. Consolidating institutional footprint to reduce the physical distance between scientists is therefore an important - but not the only - ingredient for achieving better connectivity. Done well, it can also create a 'vibrancy' that motivates and attracts top talent.

3. NIWA, ESR, GNS, Callaghan Innovation, the Victoria University of Wellington (VUW), the University of Otago (UO), and Massey University have been involved in a process facilitated by MBIE to explore co-location of capabilities in the Wellington region. MetService, Te Papa Tongarewa and the Ministry of Health have also been involved. The level of investment being considered across these organisations is large, so the potential benefits of this proposal are significant both to the national RSI system and to the Wellington region.

4. There was a previous exercise which identified three clusters of capability that together could be very well positioned to work collaboratively on some of New Zealand's most critical priorities. Organisations see merit in further examining a co-location investment case, where the clusters would also be networked between each other. These research and development clusters are:[2]

    - Public health and well-being
    - Climate resilience and adaption, natural hazards and ecosystem health, conservation, and natural resources
    - Advanced manufacturing and materials, energy futures and biotechnology.

5. Crown Research Institute Shareholding Ministers have also expressed support; having signalled their interest (in a July 2022 letter to CRIs) in a process to inform decision taking in December 2022:

    Shareholding Ministers want to ensure that property investment works towards creating a more connected, adaptable and resilient research, science and innovation system for New Zealand. I have seen myself the significant benefits that co-location of RSI capabilities can bring, and I want to see investment proposals that do plan for the co-location of significant public research, science and innovation capabilities. Steve Maharey has agreed to continue to work with the institutions across the region to develop a co-location plan for Wellington. I ask you to actively support that work so it can move as rapidly as possible through the process of

[1] For further information see Te Ara Paerangi – Future Pathways: The Green paper (October 2021) and Te Pae Kahurangi Report (July 2020) on the Crown Research Institutes.

[2] See Sapere Preliminary Report and Final Reports related to RSI system property.

getting approvals for new facilities. I want to see sufficient progress and confidence by December 2022 for shareholding Ministers to make in-principle decisions.

6. This Terms of Reference for a 'Science City Proposal' (Proposal) reflects Ministers' request and discussions with participating organisations on the best approach to this work, using a panel to facilitate and guide three self-organising clusters of like-minded organisations to drive the work. It covers work up to the point of material being available for a decision by Ministers. If this translates into a successful bid for a capital contingency in Budget 2023, a detailed business case will then need to be prepared.

Scope

7. The overall purpose of the Proposal is:

   Make Wellington a vibrant, resilient, and adaptable centre of research, science and innovation before 2030 by bringing the research community closer together to increase collaboration and performance.

8. Phase 1 of the Proposal is

   To develop options and a recommended configuration for the institutional footprint within the Wellington region that best supports enhanced performance of the RSI system, a plan that outlines the process and decision points to achieve this and an estimate of potential costings for consideration by Ministers.

Criteria for assessing configuration and plan

9. The overarching objective of the Proposal is the performance and growth of the RSI system, considered from the Crown's perspective, over the medium and long term. The process will adopt clear decision-making criteria that reflects:

   a. Enabling adaptable, resilient, multi-use facilities with the potential to:

      - house a wide range of activities over the next 30-50 years
      - support mobility of people between functions and institutions

   b. Enabling scientists to physically interact and collaborate on a daily basis both formally and informally

   c. the special relationship with Māori under te Tiriti o Waitangi, including the aspirations of mana whenua.

   d. The overall benefits and disbenefits for regional and national economic development and well-being.

10. To achieve the overarching objective, consideration will need to be given to the:

   i. long term needs of the institutions involved (and their staff), who also have varying levels of independence, funding needs, and timelines for 'fit for purpose' replacement facilities

   ii. costs and benefits in the context of the research performance outcomes it is expected to achieve

iii. practicality and timing of any options against the status quo option of institutions pursuing their own separate investment intentions.

Product

11. This phase needs to provide enough information to support a decision on a potential Budget 2023 contingency by Ministers, including an estimate of costs. The phase will produce products at two levels:

    Cluster Working Group level:

    - A written report outlining a preferred configuration proposal (or proposals) for public research capability and associated infrastructure in the Wellington region for each cluster. Each report will identify:

        i. Cluster capability and infrastructure needs

        ii. Optimal capability/ infrastructure synergies between cluster organisations

        iii. Required co-located facilities and development of a schedule of accommodations and square metre cost sufficient to support high level cost estimates (where more than one option may be explored), including any additional funding needed above current investment intentions (in order to support decisions by Ministers)

        iv. An assessment of the expected benefits and disbenefits of the configuration plan(s) versus those of the status quo

        v. To the extent there are options, the preferred option for participating organisations in the cluster

Panel Level:

- A short-written report that
    - summarises the products produced by the clusters
    - provides the Panel's view on whether the clusters have arrived at outcomes that best meet the criteria outlined in this Terms of Reference
    - whether the cluster proposals fit together to form a cohesive whole in advancing the overall purpose of this Proposal
    - summarises next steps pending Minister decisions (what would be done, how it would be done, who would do it, and by when)
    - outlines high level financial implications

12. The products from this process will be subject to requests under the Official Information Act (1982). The panel's final product may be released publicly after Ministers have considered it, with any commercial-in-confidence material withheld.

Roles and Process

Roles

13. *Clusters:*

- Each cluster will have one entity lead and will organise and resource themselves to deliver the product above - they are the 'engine room' for achieving an outcome to this process.
- The Clusters and leads will be determined by the Project Sponsor in discussion with key stakeholders (see Annex One for initial clusters suggestion).

14. *Panel:*

- The Panel will facilitate thinking within clusters at key moments, operate as a 'check in' point and provide a view throughout the process on whether the approach and thinking is on track to deliver against the objectives of the process (and raise a flag where not).
- The Panel will provide an assessment of whether the clusters have arrived at an optimal outcome based on the criteria in this Terms of Reference.
- The Panel may influence other Crown entities and Universities investment intentions towards aligned investment plans, but universities, Crown entity boards and Ministers retain their existing decision rights.
- The panel may engage separately with other parties (e.g. wider regional, Māori interests) where necessary to support the overall objectives of this Proposal.

15. *Programme Director*

- The Programme Director supports the panel and is responsible for:
    - Working with clusters on logistics, attending cluster meetings and providing expert advice and input, and ensuring the process remains on track
    - Expert advice to the panel
    - Preparing the Panel's report (see above)
- The Programme Director will have expertise in large infrastructure projects and be a strategic thinker; they will be provided MBIE logistical and writing support.

MBIE Sponsor

16. The General Manager for Research Science and Innovation is the MBIE Sponsor. The MBIE Sponsor will recruit the Panel, the Programme Director, and provide related resourcing. The MBIE Sponsor will participate in Panel meetings as an observer, and has overall responsibility for the process.

High level process steps

17. The high-level process steps are:

- Cluster leads identified, and initial combined meeting to confirm approach and sequencing (August)
- Clusters organise a timeline and approach to deliver on a product, book in meetings etc, develop baseline information and commence work (August)
- Cluster periodic (e.g. weekly/ fortnightly) check-ins with Panel
- Cluster mid-way 'direction of travel' write up to Panel (~ mid-October)
- Draft product to Panel for discussion (~ mid-November)
- Combined stakeholder meeting to discuss drafts
- Panel commences preparation of its product
- Cluster Product finalisation (early December)
- Panel Product draft socialised with stakeholders for comment and consensus (early December)
- Panel Product finalised (mid-December)
- Panel meets with Minister

18. These steps are indicative and subject to revision as the process proceeds.

19. The Programme Director (and any delegates) will attend enough Cluster meetings to ensure questions are resolved in the early stages, and provide the Project Sponsor with an assurance that the overall process is on track. In addition to regular check ins, the Panel will also be available for key cluster meetings.

20. Cluster discussions are likely to be layered – for example informal board chair to board chair/ chief executive to chief executive conversations should be occurring in parallel to ensure a successful outcome.

Panel membership

21. MBIE will appoint two to three people to the panel with suitable experience and knowledge including:

- An independent Chair who has the mana, connections and understanding of institutional change management to work effectively with the relevant organisations.
- A respected senior scientist with the Crown's perspective

22. MBIE will ensure appropriate steps are taken to manage any potential conflicts of interest.

Participating organisations

23. The relevant organisations are expected to include:

- NIWA
- ESR
- GNS
- Callaghan Innovation
- Victoria University of Wellington
- University of Otago
- Massey University
- MetService
- Te Papa

24. Participating organisations retain their own investment decision making rights and will be consulted on the Panel's draft product (with consensus ideally achieved).

25. MetService's involvement needs to be cognisant of its context: being a State-owned Enterprise with its own Shareholding Ministers and separate expectations around capital management and rate of return.

26. Wider stakeholders, such as the relevant city councils, will also be identified and engaged throughout the process.

27. MBIE will keep Treasury informed during the process. Treasury holds a primary monitoring role for MetService and a secondary monitoring role for Crown Research Institutes – and also provides overall budget advice to the Minister of Finance.

Annex One: Suggested Clusters (to be agreed)

Climate resilience and adaption, natural hazards and ecosystem health, conservation, and natural resources

- Victoria, NIWA, GNS, Metservice, Callaghan (with parallel NIWA, Tepapa discussion)

Public health and well-being

- Otago, ESR, Massey, Victoria, Callaghan

Advanced manufacturing and materials, energy futures and biotechnology.

- Victoria, GNS, Callaghan