

# OUTPUT AGREEMENT FOR THE ADVANCED NETWORK CAPABILITY BUILDING FUND

## SECTION ONE – INTRODUCTION

### *1.1 Parties to the Output Agreement*

AN AGREEMENT made the \_\_\_\_\_ day of \_\_\_\_\_ 2006  
BETWEEN THE MINISTER OF RESEARCH, SCIENCE AND  
TECHNOLOGY acting on behalf of Her Majesty the Queen in Right of  
New Zealand (“the Minister”).  
AND  
RESEARCH AND EDUCATION ADVANCED NETWORK NEW  
ZEALAND LIMITED (“REANNZ”).

### *1.2 Scope and content*

- 1.2.1 This agreement is made up of the following sections:
- Section one – provides context and essentially outlines the nature of the relationship between the Minister, the Ministry and REANNZ;
  - Section two – outlines the general terms of this agreement;
  - Section three – sets out how REANNZ is to report and account for the Outputs being purchased;
  - Section four – outlines the financial arrangements for funding made under this agreement;
  - Section five – sets out the Outputs the Minister is purchasing from REANNZ;
  - Section six – Terms of Reference for the Advanced Network Capability Building Fund;
  - Section seven – execution.
- 1.2.2 The Ministry has additional contracts with REANNZ that are not subject to the terms outlined in this output agreement.

### *1.3 Background*

- 1.3.1 REANNZ is a limited liability crown-owned company which has been established to set up and run an advanced telecommunications network in New Zealand to support collaboration in research and learning institutions (“**Advanced Network**”).

1.3.2 Under this Agreement, the Minister agrees to fund REANNZ to support development of REANNZ members' capabilities to access and use the Advanced Network.

1.3.2 The Minister is represented by the Ministry in his dealings with REANNZ.

**1.4 Objective of this agreement**

1.4.1 The objectives of this agreement are to:

- establish expectations of performance for the outputs provided by REANNZ; and
- allow the Minister to monitor REANNZ for its output delivery and ensure that outputs have been delivered in a manner consistent with the Public Finance Act 1989.

## **SECTION TWO – GENERAL TERMS**

### **2.1 Interpretation**

2.1.1 In this agreement unless the context otherwise requires:

“Advisory Panel” means the Panel established by REANNZ to provide advice on the allocation of the Capability Building Fund

“Agreement” means this Output Agreement for the Advanced Network Capability Building Fund.

“Business Day” means Monday to Friday inclusive but excluding any public holiday as defined in the Holidays Act 2003.

“Capability Build Fund” or “CBF” means the money available for distribution by REANNZ under the “Funding” Output.

“Confidential Information” means any confidential information including, but not limited to:

- (a) information (including information that is in electronic form) relating to the business or financial affairs of the Minister or the Ministry, and any organisations associated with the Minister or the Ministry;
- (b) information relating to the personal affairs of the Ministry’s employees and all other persons associated with the Minister or the Ministry; and
- (c) any working papers, reports, Cabinet papers or other papers produced or acquired during the delivery of the Outputs (other than information that is in the public domain prior to it being divulged or communicated or information divulged or communicated with the consent of the Minister).

“Conflict of Interest” means any situation which might compromise REANNZ’s, the Minister’s or the Ministry’s standing or integrity, or reflect adversely on the Minister or the Ministry, including, but not limited to, any transaction in which REANNZ, or any person contracted by REANNZ for the delivery of the Outputs, will or may derive any direct or indirect financial benefit.

“Funding” means the amounts paid or to be paid to REANNZ by the Minister as specified in section 4.1.

“GST” means Goods and Services Tax charged in accordance with the Goods and Service Tax Act 1985.

“Ministry” means the Ministry of Research, Science and Technology.

“Outputs” means outputs referred to in Section 5.

“Parties” means the Minister and REANNZ.

“Performance Measures” means the performance measurements referred to in Section 5.

“Standards” means the performance standards referred to in Section 5.

### **2.3 Construction**

2.3.1 In the construction of this Agreement, unless the context otherwise requires:

- i. this Agreement is governed by and construed in accordance with the law of New Zealand;
- ii. the headings and subheadings of this agreement do not form part of this Agreement;
- iii. references to clauses and sections are references to clauses and sections of this Agreement;
- iv. reference to a statute, regulations, or other statutory instrument or by-law shall be deemed to be a reference to the statute, regulations, instrument or by-law as from time to time amended and includes substituted provisions which substantially correspond to those referred to;
- v. reference to a person includes a reference to a body corporate, to a Crown entity and to an unincorporated body of persons;
- vi. anything required by this Agreement to be done on a day which is not a Business Day may be done on the next day which meets that definition;
- vii. in the event that any clause or any part of any clause contained in this contract is declared invalid, unenforceable or illegal, all other clauses or parts of clauses contained in this contract shall remain in full force;
- viii. no modification, variation or waiver of this Agreement or any of its provisions shall be effective or binding on either of the Parties unless recorded in writing and signed by the Parties; and
- ix. reference to a Party includes its successors and permitted assigns.

### **2.4 Term of this agreement**

2.4.1 This Agreement will commence from the date of signing and will continue until 30 June 2009 or until all obligations under it are performed.

2.4.2 The Minister will not under any circumstances be obliged to pay REANNZ any sum in addition to the amounts set out in this Agreement in respect of subject matter of this Agreement, and the Minister will not be obliged to renew this Agreement past 30 June 2009.

### **2.5 Administration of this agreement**

2.5.1 This Agreement is intended to create a good faith "no surprises" environment for the relationship between REANNZ and the Minister.

- 2.5.2 All correspondence from REANNZ to the Minister relating to the administration of this Agreement should be sent to the General Manager, Investment and Performance Group, Ministry of Research, Science & Technology, PO Box 5336, Wellington.
- 2.5.3 All correspondence from the Minister to REANNZ relating to the administration of this Agreement should be sent to the Chief Executive, REANNZ, P O Box 5336, Wellington.
- 2.5.3 For the purposes of s60 of the Goods and Services Tax Act 1985 only, the Minister has authorised REANNZ to act as his agent in distributing the CBF.

## **2.6 Warranties**

- 2.6.1 REANNZ will:
- i. act in accordance with the objects, functions and powers under its Statement of Intent;
  - ii. act lawfully and in accordance with this Agreement;
  - iii. perform its obligations under this Agreement efficiently and effectively; and
  - iv. act in good faith in relation to this Agreement.

## **2.7 Variations**

- 2.7.1 This Agreement may be varied during its term. Except as specified below, any variations agreed by the Parties must be in writing, signed by the Parties.
- 2.7.2 The Minister may amend this Agreement, including the Funding, CBF, the Outputs, the Performance Measures or the Standards, on giving REANNZ at least 30 days' written notice of the amendments the Minister requires.
- 2.7.3 The Minister will also provide REANNZ with:
- i. notice of any amendments to the Funding or the CBF as soon as practicable following completion of the decision making process; and
  - ii. the opportunity to comment on, and have its views reflected in, any Ministry papers that propose significant changes to this Agreement.
- 2.7.3 REANNZ has the right to negotiate corresponding amendments to this Agreement, including the Performance Measures and Standards, if the Minister gives notice to REANNZ of amendments to the terms of reference in Section 6, the Funding or the CBF.

## **2.8 Assignment**

- 2.8.1 REANNZ must not assign or transfer in whole or in part any of its rights or obligations under this Agreement without receiving the prior written consent of the Minister.

## **2.9 Confidential Information and Conflicts of Interest**

- 2.9.1 REANNZ accepts that in performing its obligations under this Agreement it, or any person used by it to perform those obligations, may acquire Confidential Information, or may enter into a situation which gives rise to a Conflict of Interest. Therefore, REANNZ warrants that it will:
- i Maintain a high standard of honesty and integrity at all times in the performance of the obligations under this Agreement and avoid situations which might give rise to such a Conflict of Interest or compromise REANNZ's, the Minister's or the Ministry's integrity; and
  - ii Avoid any financial or other interest or undertaking that would interfere with or compromise the performance of REANNZ's obligations under this Agreement, or the integrity or standing of the Minister or the Ministry during the term of this Agreement; and
  - iii Advise the Minister in writing of any actual or potential Conflicts of Interest that might arise in the performance of the obligations under this Agreement;
  - iv Assist the Minister to address or avoid any actual or potential Conflicts of Interest notified to the Minister under paragraph (iii) above;
  - v Neither use, nor communicate, nor divulge, to any person, either before or after the term of this Agreement, any Confidential Information without the prior written permission of the Minister, except where the use or communication of the Confidential Information is reasonably necessary to enable REANNZ to perform its obligations under this Agreement; and
  - vi Ensure all of its employees, or any other person used by REANNZ to perform its obligations under this Agreement, are aware of, and comply with, the warranties given by REANNZ under this clause.

## **2.10 Minister's requests for information**

- 2.10.1 REANNZ must supply to the Minister any information relating to this Agreement that the Minister requests.
- 2.10.2 A request for information under this clause may only be refused if:
- i the withholding of the information is necessary to protect the privacy of a person (whether or not a natural person or a deceased person) and that reason is not out-weighted by the Minister's need to have the information in order to discharge the Minister's ministerial duties;
  - ii the information exposes REANNZ to liability for breach of confidence, defamation, infringement of copyright, exposure to commercial sensitivity or commercial disadvantage or breach of any other legal or equitable obligation; or

- iii. the request for information requires substantial collation or research and is beyond REANNZ's ability to reasonably provide the information.

### **2.11 Official Information Act requests**

- 2.11.1 REANNZ acknowledges that the information held by the Minister and the Ministry in relation to this Agreement is official information under the Official Information Act 1982 and that such information may be required to be released in response to an Official Information Act request.
- 2.11.2 REANNZ acknowledges also that, in accordance with the government's policy of improved transparency of information on government contracts, the Minister or the Ministry may disclose:
  - i. the existence of this Agreement;
  - ii. the nature and quantity of the Outputs provided by REANNZ under this Agreement;
  - iii. the name and contact details of REANNZ;
  - iv. the value of any amount paid by the Minister to REANNZ under this Agreement; and
  - v. the term of this Agreement.

### **2.12 No Liability**

- 2.12.1 Neither Party will be liable to the other for any direct or indirect damages, compensation or on any other remedy at law or in equity in respect of this Agreement.

### **2.13 Force majeure**

- 2.13.1 Neither Party shall be liable for any failure to perform or delay in performance of its obligations under this Agreement caused by circumstances beyond its reasonable control including but not limited to:
  - i. fire, floods, storms, earthquakes or other act of God;
  - ii. any act of public enemy, war, riot, acts of civil or military authority;
  - iii. any act of a person engaged in subversive activity or sabotage;
  - iv. strikes, embargoes, slow-downs, lock-outs, or labour stoppages or disputes of any kind; and
  - v. epidemics and quarantine restrictions.

### **2.14 "No surprises" to the Minister**

- 2.14.1 In addition to the specific reporting requirements under this Agreement, REANNZ must ensure that the Minister is adequately warned in advance, where prediction is possible, about:
  - i. issues likely to attract external attention, or cause concern or embarrassment to the government; and
  - ii. all significant matters for which REANNZ has a responsibility.

This includes advising the Minister of the impacts of funding allocation decisions on interest groups, after the funding allocation decisions have been made, but prior to public announcement of the decisions.

### **2.15 Publications and Media Statements**

2.15.1 REANNZ will acknowledge the Government as a source of funding in all publications, media statements and other publicly available material relating to the Outputs.

### **2.16 Parliamentary and Audit Office Reviews**

2.16.1 This Agreement is subject to Parliamentary and Audit Office review. REANNZ is required to fully co-operate with any such review. This Agreement and all documentation and records relevant to this Agreement may need to be made available to Parliament and/or the Audit Office as part of a review procedure.

### **2.17 Conflict resolution**

2.17.1 Where a dispute or difference arises between REANNZ and the Ministry as to the construction or interpretation of this Agreement, REANNZ and the Ministry must confer with a view to resolving that dispute or difference.

2.17.2 Any dispute or difference which may arise between REANNZ and the Ministry relating to any other matter arising under this Agreement will be negotiated by those parties actively and in good faith through the respective Chief Executives of REANNZ and the Ministry, or any appropriate senior manager that they may nominate, with a view to a quick resolution of such dispute or differences.

2.17.3 Failing resolution of a dispute over construction or interpretation of this Agreement, the dispute or difference will be resolved as the Minister in his absolute discretion directs.

2.17.4 Where a dispute or difference arises relating to the performance by REANNZ of its obligations under this Agreement, the following procedures apply:

- i. the Minister may give notice to REANNZ to attend a meeting with the Minister;
- ii. the notice must set out the area of REANNZ's performance which the Minister considers unsatisfactory and must include background information in support of the Minister's view; and
- iii. REANNZ will have the opportunity at the meeting of satisfying the Minister of the measures being taken to ensure REANNZ's performance becomes satisfactory and of any programme, including dates, for implementing these measures. Others may attend with the agreement of the Minister.

## **SECTION THREE – REPORTING REQUIREMENTS**

### **3.1 Reports required**

3.1.1 REANNZ will supplement the reports it provides to CCMAU with the following information:

<b>Report</b>	<b>Supplemental information</b>
6 Month Report	Include a report on the CBF Terms of Reference.
12 Month Report	Include a report on the CBF Terms of Reference.
Final Reports required under section 32A of the Public Finance Act 1989	Provide information as per template provided by MoRST.
Annual Report	Provide information as per the template provided by CCMAU.

### **3.2 Reporting dates**

3.2.1 REANNZ will provide CCMAU with the above reports by the dates below. The Minister will then obtain copies of the reports from CCMAU.

<b>Report Type</b>	<b>Due Date</b>
6 Month Report	16 February 2007
12 Month Report	10 August 2007
Final Reports required under section 32A of the Public Finance Act 1989	24 August 2007
Annual Report	As per timelines specified in the Crown Entities Act 2004 and Public Finance Act 1989.

3.2.2 REANNZ will continue to provide these reports for each year during the term of this Agreement. Specific reporting dates for the years 2007/08 and 2008/09 will be agreed at the commencement of each of these financial years.

### **3.3 Adequacy of reporting**

3.3.1 Where a report does not provide adequate supplemental information, the Ministry may give written notification to REANNZ stating:

- i. why the Ministry considers that the report inadequate;
  - ii. the respects in which the report is inadequate;
  - iii. that the report must be resubmitted to the Ministry and CCMAU; and
  - iv. that the resubmitted report is due:
    - a. 15 days from the date of the notice; or
    - b. another date mutually agreed by the Minister and REANNZ.
- 3.3.2 If any resubmitted report does not meet the requirements of the above notice, further notification may be given under clause 3.3.1.
- 3.3.3 At any time, the Minister may address an inadequate report through the conflict resolution procedure in clause 2.17.
- 3.3.4 Notwithstanding the above, if the Minister remains unsatisfied with any financial information in a report resubmitted by REANNZ under clause 3.3.1, the Minister may direct the Ministry to employ a third party to review the financial information and REANNZ's response and to report to the Minister and REANNZ. The Minister may, by written notice prior to the review, require REANNZ to pay for or contribute to such review out of the Funding. In such case, REANNZ must identify within 5 Business Days of the Minister's notice the extent any Output will be affected.

#### **3.4 Late Reporting**

- 3.4.1 If for reasons beyond its control REANNZ expects that it may not meet the required date for the presentation of a report, it will contact the Ministry to negotiate a mutually agreed alternative date.
- 3.4.2 If a report is more than five Business Days later than the required or agreed alternative date, the Ministry may, with five Business Days notice given to REANNZ, delay any Funding until the report has been received.

#### **3.5 General Information Requests from the Minister**

- 3.5.1 REANNZ must supply to the Minister such information and advice as the Minister from time to time requires. The provision of information and the costs of retrieving, collating or supplying such information are part of this Agreement. If during the period of this Agreement significant and unanticipated Ministerial demand for information arises, the parties acknowledge that the funding implications will be taken into account and this Agreement may need to be varied.

## SECTION FOUR – FINANCIAL TERMS

### 4.1 Funding

4.1.1 Subject to section 4.1.3, the Minister will make payment to REANNZ of the Funding stated below at the times shown below and for the applicable Output below:

<b>Payment Date</b>	<b>Payment Amount (GST inc)</b>	<b>Total for the Year (GST inc)</b>
June 2006	\$112,500	<b>\$112,500</b>
20 July 2006	\$658,687	
20 October 2006	\$658,687	
22 January 2007	\$658,687	
20 April 2007	\$658,689	<b>\$2,634,750</b>
20 July 2007	\$343,406	
22 October 2007	\$343,406	
21 January 2008	\$343,406	
21 April 2008	\$343,407	<b>\$1,373,625</b>
21 July 2008	\$343,406	
20 October 2008	\$343,406	
22 January 2009	\$343,406	
20 April 2009	\$343,407	<b>\$1,373,625</b>
<b>Total contract</b>		<b>\$5,494,500</b>

4.1.2. All Funding will be made into the following REANNZ bank account:

Westpac, North End  
318 Lambton Quay  
03-0539-0246688-00

4.1.3. The Minister may reduce or cancel any Funding yet to be made under section 4.1.1, on written notice to REANNZ given at any time prior to the date that such Funding was due to be made.

### 4.2 Use of funds

4.2.1. REANNZ will ensure that:

- Funding is only used for the Output for which it was provided under section 4.1.1, and is not used to fund any other activity.
- each Output meets its Performance Measures and Standards.

4.2.2 Any Funding that is not used for its specified Output within the financial year for which it was paid, will be carried forward to the next financial year, provided that any Funding not so used by 30 June 2009 must be promptly refunded to the Minister.

4.2.3 REANNZ must not charge any third party for the Outputs.

4.2.4 Subject to REANNZ providing the Outputs in accordance with this Agreement, nothing in this Agreement authorises the Minister to direct REANNZ to allocate the Funding to or for the benefit of a particular person or persons, or to require the performance for non-performance of a particular

act, or to bring about a particular result, in respect of a particular person or persons.

- 4.2.5 REANNZ will operate in the financially responsible manner necessary to ensure the Outputs are delivered. In particular, REANNZ will:
- prudently manage its assets and liabilities; and
  - endeavour to ensure its long term financial viability and act as a successful going concern.
- 4.2.6 REANNZ will manage all Funding, and interest earned on Funding, in accordance with the Public Finance Act 1989 and consistently with the purpose that Parliament appropriated the sums for.

### **4.3 Deficit**

- 4.3.1 REANNZ must inform the Minister if, at any time during the year, REANNZ becomes aware that its financial position may become such that REANNZ's ability to provide the Outputs is potentially compromised.

### **4.4 Accounting policies**

- 4.4.1 REANNZ must prepare its financial reports under this Agreement in accordance with the accounting policies set out in the Statement of Standard Accounting Practices issued by the New Zealand Institute of Chartered Accountants. In relation to these reports:
- The measurement base adopted is that of historical cost.
  - REANNZ is funded from the Crown and other parties. Revenue is recognised as earned when services are performed.
  - REANNZ's annual accounts for the Funding must be prepared exclusive of GST, except for accounts receivable and accounts payable.

### **4.7 Costing and pricing methodology**

- 4.7.1 REANNZ may be required to supply the Minister with information as to:
- i. the methods used by REANNZ to cost and price its Outputs;
  - ii. the manner in which indirect costs are allocated to classes of Outputs and to individual Outputs; and
  - iii. the costing and pricing of other Outputs or activities as the Minister may specify.
- 4.7.2 The Minister may appoint an auditor of his/her choice to audit the costing and pricing methodology referred to above. Payment for the audit would be agreed at the time. Under such an arrangement any auditor selected by the Minister shall be able to exercise powers in a manner that is similarly provided for in the in Public Audit Act 2001.

### **4.9 Effectiveness and efficiency assessments**

- 4.9.1 The Minister may require periodic independent assessments of REANNZ's Output efficiency and cost-effectiveness to be carried out.
- 4.9.2 The Minister and REANNZ must agree, prior to commencement of the independent assessment, the:
- i. terms of reference;

- ii. persons to conduct such an assessment;
- iii. responsibility for payment of assessment expenses; and
- iv. impact on the Outputs.

4.9.3 If no agreement is reached within a reasonable time on the matters listed above, the Minister may set terms of reference, appoint a person to carry out such a review and determine responsibility for the assessment's expenses.

4.9.4 A copy of all assessment reports received by REANNZ that relate to this clause must be provided to the Minister.

## SECTION FIVE - OUTPUTS TO BE PURCHASED

### 5.1 Output One – Funding Allocation Process

This Output funds the decision-making for selecting and approving capability building activity:

- REANNZ seeking and receiving applications from applicants to the fund for capability building activity recommended by the Advisory Panel;
- The Advisory Panel making recommendations on suitable applications to REANNZ;
- REANNZ approval for funding successful applicant’s capability building activity; and
- REANNZ advising the applicant of the funding.

#### Quantity, quality, timeliness

Performance Measures	Performance Standards
Applicants to be kept informed regarding the status of their application to the CBF.	Applicants advised of the status of their application within 3 Business Days of their request for status.
Applicants informed of the decision on their application in a timely manner.	Applicants to be informed of any decisions regarding their application within 3 Business Days of a decision being made.
REANNZ to provide information on applications to the Advisory Panel in a timely manner.	All applications to be forwarded to the Advisory Panel within specified timeframes agreed between the Advisory Panel and REANNZ.  Applications to be considered at the first possible meeting of the Advisory Panel.

### 5.2 Output Two – Monitoring the Funds Allocated

This Output funds the administration and monitoring of the CBF by REANNZ. It also includes REANNZ’s reporting requirements and provision of advice to the Minister.

#### Quality, quantity, timeliness

Performance Measures	Performance Standards
CBF payments are made at the agreed sum to the correct recipients and no payments are made in excess of the agreed sums.	All contracts meet Performance Measure.

<b>Performance Measures</b>	<b>Performance Standards</b>
REANNZ provide progress reports to MoRST summarising delivery of capability building activities against agreed funding criteria, identifying any significant variations, any corrective actions required or taken, and any potential risks to delivery according to the agreed quantity, quality and cost.	All such reports are satisfactory to MoRST.
Provision of information and advice to the Minister as required under this Agreement.	All such information and advice delivered within 15 Business Days of the Minister's request, or earlier if required by the Minister, and of a standard acceptable to the Minister.

### **5.3 Output Three– Logistical Support of the Advisory Panel**

This Output funds REANNZ to support the Advisory Panel to produce three outputs required: (i) regular meetings; (ii) interactions with experts; and (iii) the preparation of a brief report recommending a programme of capability building activity.

#### **Quantity, quality, timeliness**

<b>Performance Measures</b>	<b>Performance Standards</b>
Establish an Advisory Panel of representatives of REANNZ users.	Advisory Panel established by 30 June 2006.  Membership of the Panel to include members from CRIs and universities users of the Advanced Network.
Arrange and hold regular Advisory Panel meetings.	Advisory Panel meetings to be held every quarter.
Ensure that there is a quorum of 5 members at each Advisory Panel meeting.	Each Advisory Panel meeting to involved at least 5 members of the Advisory Panel
Fund travel of Advisory Panel members or expert advisors to enable meetings on capability building.	Travel reports are produced to REANNZ for 100% travel.
Prepare a three to four year roadmap or plan for capability building	Report prepared by 30 June 2007. REANNZ and MoRST are both satisfied with the report.

### **5.3 Output Four – Training and Development Activity**

This Output funds payments by REANNZ from the CBF to successful applicants to (i) attend and where appropriate convene training events and (ii) host application pilots and working groups; (iii) participate in standards development events; and (iv)

implement generic middleware applications that assist with increasing and improving users knowledge of Advanced Network technology.

Criteria for the allocation of the CBF will be:

- all such activities are consistent with the principles and objectives set out in the terms of reference in section 6.
- the Advisory Panel has approved these activities in the context of their recommendations for the CBF.

**Quantity, quality, timeliness**

<b>Performance Measures</b>	<b>Performance Standards</b>
Activities are defined by the Advisory Panel and they are performed in a timely manner.	Activities are documented and reports on activities are received by REANNZ no later than 3 months following the activity's completion.
Ensure that activities are aligned with the objectives of the CBF.	Reports from participants confirm that 100% of activities meet the objectives of REANNZ.

**5.3 Output Five – Communications Programmes**

This Output funds payments by REANNZ from the CBF to successful applicants to (i) deliver programmes to raise the awareness within and to build dialogue between sector-specific groups; (ii) design and operate a website to support capability building; (iii) collect and manage accumulated learning from the capability building programme; and (iv) convene events to encourage international co-funding and collaboration in capability building, from public sector and private sector entities – including international network providers.

Criteria for the allocation of the CBF will be:

- all such activities are consistent with the principles and objectives set out in the terms of reference in section 6.
- the Advisory Panel has approved these activities in the context of their recommendations for the CBF.

**Quantity, quality, timeliness**

<b>Performance Measures</b>	<b>Performance Standards</b>
Activities are defined by the Advisory Panel and they are performed in a timely manner.	Activities are documented and reports on activities are received by REANNZ no later than 3 months following the activity's completion.
Ensure that activities are aligned with the objectives of the CBF.	Reports from participants confirm that 100% of activities meet the objectives of REANNZ.

## **SECTION SIX – TERMS OF REFERENCE**

### **1.0 Background**

In 2005, the government appropriated \$5.33 million over 4 years from 2005/06 to 2008/09 under an “Other Expense to be incurred by the Crown” – entitled: “Advanced Network Capability Building”

### **2.0 Preamble**

An effective capability building programme (CBP), particularly professional skill development, is fundamental to the achievement (CAB Min (04) 17/4 refers) of the government’s objectives for the Advanced Network. Long term outcomes for success of the CBP will be that New Zealand (i) has an e-research infrastructure to support international and national collaboration; (ii) will have begun to make a significant contribution to e-research; and (iii) will have enabled a shift to an e-research culture. CRIs and universities have identified this area as crucial for achieving high network utilisation.

### **3.0 Objectives**

MoRST has established through consultation with prospective stakeholders<sup>1</sup> that to give effect to the government’s long term outcomes, a suitable CBP would meet the following objectives:

- Governance:
  - be guided by an oversight group of local experts;
  - connects to existing and emerging network initiatives – eg BRCSS;
  - connects to REANNZ board – and explores REANNZ support;
- Key Outputs:
  - initially does a basic audit of applications and capabilities;
  - quick starts some high impact, easy-to-deliver applications;
  - provides for widespread learning of “all-domain” capabilities – eg video-conferencing;
  - decides and delivers on a set of exemplar projects in years 2 to 4;
- Key Linkages:
  - complements existing science collaborations;
  - harmonises with international standards and developments;
  - has a flexible, transparent funding criteria;
  - has funding criteria compatible with co-funding; and
  - recognises the strategic value for New Zealand of each exemplar project.

### **4.0 Principles for determining allocation of funds.**

Funds will be allocated to projects, which contribute to<sup>2</sup>:

- spreading capabilities across institutions in long-term; and
- sharing learning across users of the Advanced Network;

---

<sup>1</sup> MoRST: Advanced Network Capability Building Workshop, 30 September 2005.

<sup>2</sup> Ibid.

During all of the four year programme, reasonable shares of funding will be applied for:

- widespread learning of capabilities common to all research domains;
- conferences, workshops and other initiatives for sharing learning across all users.

When recommendations for a complete programme are developed, appropriate funding will be allocated for exemplar projects.

Until exemplar projects are decided upon, funding will be applied to projects that are easily delivered, can be quickly implemented and that have a high impact.

At all times funding will be allocated to:

- enhance existing science collaborations;
- harmonise with international standards and developments;
- encourage co-funding of projects.

## **5.0 Activities and organisations ineligible for funding**

The following are ineligible for funding:

- initiatives of associates and partners (as defined in the Network Access Policy) which do not involve members,

## SECTION SEVEN – EXECUTION

IN WITNESS of which the Agreement has been executed as a Deed

**EXECUTED** by and on behalf of )  
**HER MAJESTY THE QUEEN** )  
**IN RIGHT OF NEW ZEALAND** )  
by **Hon Steven Maharey** ) .....  
Minister of Research, Science and )  
Technology )

In the presence of )  
Signature ) .....  
Address ) .....  
Occupation ) .....

and on behalf of )  
**RESEARCH AND EDUCATION** )  
**ADVANCED NETWORK** )  
**NEW ZEALAND LIMITED** )  
by **Jim Watson** )  
Chair of the REANNZ Board ) .....  
)

in the presence of: )  
Signature ) .....  
Address ) .....  
Occupation ) .....