

## Education Report: Draft Cabinet paper for the Reform of Vocational Education

<b>To:</b>	Hon Chris Hipkins, Minister of Education		
<b>Date:</b>	14 December 2018	<b>Priority:</b>	High
<b>Security Level:</b>	In confidence	<b>METIS No:</b>	1171610
<b>Key Contact:</b>	Vic Johns Amy Russell	<b>DDI:</b>	s 9(2)(a)
<b>Drafter:</b>	Kiri Heel	<b>DDI:</b>	
<b>Messaging seen by Communications team:</b>	No	<b>Round Robin:</b>	No

### Purpose

This note provides you with a draft Cabinet paper and an outline of a consultation document on the Reform of Vocational Education (RoVE) for your review and feedback.

### Recommended Actions

The Ministry of Education and the Tertiary Education Commission recommend you:

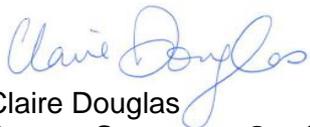
- a. **provide feedback** on the enclosed draft Cabinet paper by Tuesday 8 January if possible  
**Provided**
- b. **provide feedback** on the form and approach set out in the enclosed outline of a consultation document  
**Provided**
- c. **note** we will provide a more refined draft consultation document in mid-January, together with advice about the consultation process  
**Noted**
- d. **note** that Treasury has granted a temporary exemption from preparing an Impact Statement  
**Noted**
- e. **note** that the exemption requires that the consultation document asks open questions and describes the costs and benefits of the options  
**Noted**

f. **note** that an Impact Statement will be required for the May Cabinet paper

**Noted**

g. **agree** that this Education Report will not be proactively released until you have agreed to vocational education reforms (and consultation on these) with your Cabinet colleagues.

**Agree / Disagree**



Claire Douglas  
**Deputy Secretary, Graduate  
Achievement, Vocations and Careers  
Ministry of Education**

14/12/2018



Tim Fowler  
**Chief Executive  
Tertiary Education Commission**

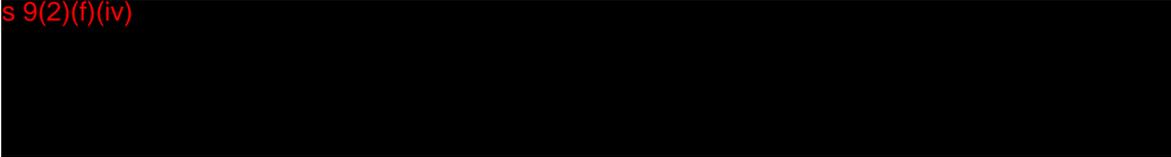
14/12/2018

Hon Chris Hipkins  
**Minister of Education**

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## Cabinet paper

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1. We have prepared a draft Cabinet paper on your proposals for reforming the vocational education system. See Annex 1. Please provide us with feedback on this draft.
2. You have indicated that you wish to take this paper to Cabinet for its first meeting in 2019, on Tuesday 29 January. This means that the paper will need to be lodged by Thursday 24 January.
3. Please provide us with your feedback by Tuesday 8 January, if possible, to enable us to revise the document and provide it back to your office for your further review and for consultation with your ministerial colleagues and coalition partners.
4. We undertook agency consultation on the draft Cabinet paper last week. There was significant interest from agencies in your proposals, and we received substantial feedback from most of the agencies involved. Much of the feedback focused on clarifying the connections across different government priorities and initiatives, providing more information on the details and impacts of the proposals if possible, and providing clear background information to Ministers on the shape of the current vocational education system.
5. s 9(2)(f)(iv)  

6. We have highlighted some text in the Cabinet paper for you to note in particular:
  - a. Paragraph 18 references an annex that we have not included with this draft of the Cabinet paper. This annex will be included in the next draft that you receive. It will set out background information about the current vocational education system.
  - b. Paragraph 65 includes a reference to the proposed changes to NZQA in the recent Tomorrow's Schools report. We seek your feedback as to whether you would like this text included in the final Cabinet paper.
  - c. Paragraph 100 indicates that we will include more detail about the connections across the Education Work Programme in our next draft. This will incorporate the discussion you had with officials at your strategy session on Wednesday 12 December.
  - d. Paragraph 113 outlines a risk to international students. We seek your feedback as to whether you would like this text included in the final Cabinet paper.
  - e. Paragraph 129 indicates that the date for a public launch event is to be confirmed. We will work with you and your office in January to plan communications and consultation in more detail.

## Consultation document

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7. In addition to the Cabinet paper, we have attached an outline of the consultation document. We have not yet shared this with other agencies.
8. We are seeking your initial reaction to the form and approach to the consultation document. We will provide a full draft in mid-January (with the level of detail expected to be included in the final document), together with advice about the process for consultation on the RoVE.

9. The consultation document is intended to provide an overview of RoVE. Supporting material would also be released, targeted to specific audiences. This could include:
  - a. products for different stakeholders (e.g. education providers, industry, learners) that explain what the changes will mean for them.
  - b. more detailed, technical discussions about the design of the institute of technology and polytechnic (ITP) and industry skills bodies.
10. We propose to seek Cabinet agreement only on the main consultation document, with your approval for the supporting material.

## Regulatory Impact Assessment

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11. We have been working with the Treasury on the approach to impact analysis.
12. We expect formal sector consultation to expand our understanding of the problems in VET, and the costs, benefits and implementation risks of your preferred options and any alternatives. An Impact Statement prepared before consultation would therefore be incomplete in its coverage of these matters. A separate Impact Statement could also distract stakeholders from the consultation document, and preparing it would add to the challenge of meeting your desired timeframe for consultation.
13. To meet Cabinet requirements for a temporary exemption while delivering on your preference for consultation to focus primarily on your preferred options, the Treasury advises us of the following:
  - a. The consultation document needs to ask open questions about the problems in VET, how well the options presented address these problems, and whether there are alternative options that submitters prefer.
  - b. The consultation document needs to at least describe the costs and benefits of the options at a high level.
  - c. The Cabinet paper should not close off further consideration of alternative options.
14. We believe this is consistent with the consultative approach to RoVE, and still allows a clear direction of travel to be signalled (especially for the ITP structural change, where there has already been considerable engagement).
15. Treasury has granted a temporary exemption from preparing an Impact Analysis on this basis.
16. If, as we expect, your final policy recommendations to Cabinet in May include regulatory changes with significant impacts, they will need to be accompanied by a full Impact Statement.

## Release of this paper

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17. We do not recommend releasing this paper until you have discussed a consultation approach with your Cabinet colleagues.

## Annexes

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- Annex 1      Draft Cabinet paper
- Annex 2      Outline of a consultation document