



Cabinet

Minute of Decision

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Consulting on Proposals for Vocational Education System Reform

Portfolio Education

On 29 January 2019, Cabinet:

Background

- 1 **noted** that New Zealand's vocational education system has the potential to contribute significantly to the government's goals for economic, social and ecological progress, but faces significant structural impediments to achieving its potential;
- 2 **noted** that the Minister of Education's vision is for a strong, unified, sustainable vocational education system that delivers the skills that learners, employers, regions and communities need to flourish;
- 3 **noted** that the financial instability surrounding the current vocational education model means that the status quo is no longer sustainable;

Proposed reform

- 4 **noted** that a comprehensive reform of vocational education is proposed, to achieve a strong, unified and sustainable vocational education system that will meet the needs of learners, industry and employers in all regions and is fit for the Future of Work;
- 5 **noted** that the three key change proposals are to:
 - 5.1 redefine the roles of education providers and Industry Training Organisations (ITOs), and extend industry and employers' leadership roles across all vocational education through new industry skills bodies;
 - 5.2 create a New Zealand Institute of Skills and Technology, bringing together the current 16 public Institutes of Technology and Polytechnics (ITPs) as a single entity;
 - 5.3 create a unified vocational education funding system, removing barriers to collaboration and flexibility, ensuring a sustainable network of provision, and supporting the wider reforms;
- 6 **agreed** to consult on the proposal to create a New Zealand Institute of Skills and Technology;
- 7 **noted** that the proposals will require legislative changes and other significant change processes to enact;

- 8 **noted** that agencies will work together to ensure that advice on any new structures and mechanisms is consistent with the outcomes across the current reviews of the immigration, education and welfare systems;
- 9 **noted** the draft Regulatory Impact Analysis attached to the paper under CAB-19-SUB-0009, which will be:
- 9.1 published alongside the consultation document;
- 9.2 revised and re-submitted to Cabinet to inform final decision-making;

Financial implications

- 10 **s 9(2)(f)(iv)** [REDACTED]
- [REDACTED]
- [REDACTED]
- 11 **s 9(2)(f)(iv)** [REDACTED]

Consultation

- 12 **noted** that a consultation document is being prepared, setting out the proposals for change to the vocational education system and inviting public feedback;
- 13 **invited** the Minister of Education to:
- 13.1 finalise the consultation document, in consultation with the Minister of Finance, the Associate Minister of Education (Hon Tracey Martin) and other Ministers as appropriate;
- 13.2 submit the consultation document to Cabinet for approval for release;
- 14 **noted** that it is proposed that public consultation will be for a period of approximately six weeks, starting in mid-February 2019;
- 15 **invited** the Minister of Education to report back to the Cabinet Social Wellbeing Committee in mid-2019, following public consultation, with more information and with recommendations for changes to the vocational education system, which could be followed by legislative reform in the second half of 2019.

Michael Webster
Secretary of the Cabinet

Hard-copy distribution:

Prime Minister
Deputy Prime Minister
Minister of Education