



## Briefing Note: Reform of Vocation Education Suite of Cabinet Papers

<b>To:</b>	Hon Kelvin Davis, Associate Minister of Education (Māori Education)		
<b>Cc:</b>	Hon Chris Hipkins, Minister of Education		
<b>Date:</b>	19 July 2019	<b>Priority:</b>	High
<b>Security Level:</b>	In Confidence	<b>METIS No:</b>	1197100
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<b>Messaging seen by Communications team:</b>	N/A	<b>Round Robin:</b>	No

### Purpose

This briefing note is to support you to discuss the following suite of Cabinet papers at Cabinet on 22 July:

Cabinet paper 1 (incl. Annexes 1-4)	Reform of Vocational Education – Key decisions
Cabinet paper 2	Reform of Vocational Education – Fiscal implications
Annex 5	Ako Mahi – A unified system for all vocational education
Annex 6	Ma te ako ma te mahi ka ora – Through learning and work we shall prosper
Annex 7	What we heard: Summary of public consultation and engagement – Reform of Vocational Education
Annex 8	Regulatory Impact Assessment: Reform of Vocational Education
Annex 9	Reform of Vocational Education: Programme Business Case

At the heart of the Minister of Education's vision is a unified vocational education system with strong industry leadership and collaboration between organisations. There are seven key changes to drive improvements needed in the system (which are set out in paragraphs 1-7)

*Table 1* then provides you with a summary of specific elements of the Reform of Vocational Education (RoVE) proposals with implications for Māori learners, employers, wānanga, Private Training Establishments (PTEs) and wider communities.

Proactive Release

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**Agree** to proactively release this briefing note once final decisions have been made.

**Agree / Disagree**



Andy Jackson  
**Group Manager**  
**Tertiary Education**

19/07/2019

Hon Kelvin Davis  
**Associate Minister of Education**  
**Māori Education**

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Proactively Released

## Seven key changes to drive improvements needed for the vocational education system

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1. **Create a New Zealand Institute of Skills & Technology (the Institute):** A unified, sustainable network of regionally accessible vocational education, bringing together the existing 16 Institutes of Technology and Polytechnics (ITPs).
2. **Create Workforce Development Councils (WDCs) with leadership across the whole vocational education system:** These would be around four to seven industry-governed bodies, which would give industry greater control over all aspects of vocational education.
3. **Shift the role of supporting workplace learning from Industry Training Organisations (ITOs) to providers:** The Institute and other providers would deliver education and training in both provider-based and workplace-based settings to achieve integration between the settings and to be well connected with the needs of industry.
4. **Establish Regional Leadership Groups (RLGs):** RLGs would provide advice about the skills needs of their regions to the Tertiary Education Commission (TEC), WDCs, and local vocational education providers. The TEC would take advice from RLGs into account when making investment decisions.
5. **Establish Centres of Vocational Excellence (CoVEs):** CoVEs would drive innovation and excellence in teaching and learning, and improve links to industry and communities. CoVEs would be established in areas of study of particular importance to New Zealand.
6. **Te Taumata Aronui:** Establishing this group is intended to ensure that the RoVE reflects the Government's commitment to Māori Crown partnerships.
7. **Unifying the vocational education funding system:** A unified funding system would apply to all provider-based and work-integrated education at certificate and diploma qualification levels 3 to 7 (excluding degree study) and all industry training.

## Implications for Māori – how to get the most benefit out of the reform

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8. Careful consideration has been given to how Māori learners, employers and providers, such as wānanga and PTEs, could be affected by the reform.
9. In establishing the new roles and institutional arrangements within the reformed system (through legislation and governance, and other arrangements for the Institute in particular) we have sought approval to the kind of structural requirements needed to ensure the system supports better outcomes for Māori learners and reflects Māori Crown partnerships. More detail is provided on this in *Table 1* on the following page.

**Table 1: Implications for Māori learners, employers and wider communities**

Element	Implications for Māori learners, employers or wider communities
<b>Establishing the New Zealand Institute of Skills and Technology (the Institute)</b>	
Legislation	<p>Clauses in the legislation would be used to express expectations of the Institute and to signpost other sections in the legislation that support the Crown to give effect to the Treaty and Te Tiriti and to Māori Crown relationships.</p> <p>The Institute will be required to work in a way that reflects the Government's commitment to Māori Crown partnerships. <b>[RoVE paper 1 – rec. 27 refers]</b></p> <p>This signals the expectation that the Institute will focus on improving outcomes of Māori learners and communities, support development of te reo Māori and mātauranga Māori, and recognise that working with Māori will be necessary to achieve this. This is because Māori are key actors in regional social, cultural and economic development.</p>
Governance	<p>The functions of the Institute will include that it works closely with Māori and iwi partners and stakeholders to improve outcomes for Māori learners and communities. <b>[RoVE paper 1 – rec. 9.3 refers]</b></p> <p>The appointment process for the Institute's Council would also ensure that potential Councillors have the skills, knowledge and experience to support Māori needs. <b>[RoVE paper 1 – paragraph 86 and rec. 57 in the table on detailed policy decisions refers]</b></p> <p>The Council would also be required to appoint a Board to advise on how the Institute works with Māori to improve outcomes for Māori learners and communities. <b>[RoVE paper 1 – paragraph 84-86 and rec. 26]</b></p>
Charter and associated accountability documents	<p>The Charter will set out expectations of the Institute, for example, how it is governed and how it operates to prioritise improving outcomes for Māori learners and whānau. Other expectations include how the Institute recognises that identity, language and culture are important for achieving improved education and employment outcomes and that partnering with Māori (as key regional actors) supports improved outcomes for Māori learners and whānau. The Charter will affect what must be included in the Statement of Intent (SOI), and monitoring and reporting.</p> <p>In particular, the Charter must include an enduring guarantee that the Institute will support learners effectively and be responsive to the needs of industries, community and Māori. <b>[RoVE paper 1 – rec. 21.2 refers]</b></p>
<b>Other specific RoVE changes</b>	
RLGs (regional leadership groups)	<p>RLGs will provide a strong voice on regional skills needs through advice to the TEC, the Institute and other regional providers which incorporates the perspectives and interests of local stakeholders (including Māori, iwi, businesses and unions). <b>[RoVE paper 1 – rec. 42-43 refers]</b></p>
Funding	<p>A unified funding system across all vocational provision should reward and encourage the delivery of high-quality education and training that meets the needs of all learners, communities and employers. <b>[RoVE paper 1 – rec. 49.1 refers]</b></p> <p>The proposed unified funding system includes as one of its components a new learner-based funding approach to recognise the higher costs of delivery that responds to a range of students'/trainees' needs, and to incentivise improved system performance for traditionally underserved learners (especially Māori, Pacific and disabled learners). <b>[RoVE paper 1 paragraph 130 and rec. 50 refers]</b></p>
Engagement	<p>Officials will continue to engage with partners and stakeholders, including Māori, to inform work on the transition to, and implementation of, a new vocational education system.</p> <p>Central to this is the establishment of a new group, <i>Te Taumata Aronui</i>, to support Ministers and officials to develop tertiary education policy and system settings in a way that works with Māori to improve outcomes for Māori learners and communities, including RoVE design decisions. <b>[RoVE paper 1 – rec. 46-47 refers]</b></p>

<b>RoVE and Wānanga</b>
<p>Wānanga would only be affected by WDC standard setting where they choose to move into the role of supporting work-based learning. <b>[RoVE paper 1 – rec 41]</b></p> <p>In a meeting on 18 June with officials, the wānanga expressed comfort with this and are willing to engage further. Centres of Vocational Excellence would be established by the Institute and/or wānanga to support excellence in areas of vocational study of strategic importance to New Zealand. <b>[RoVE paper 1 – rec 44]</b></p>
<b>RoVE and PTEs</b>
<p>Under the proposed reforms, PTEs, including Māori PTEs, will have the opportunity to support work-based learning. This would mean additional choice for employers and learners in the communities these PTEs serve. This opportunity would require PTEs to build their capabilities and relationships to take on this expanded role. PTEs would be required to design programmes that align with the skills standards set by WDCs and encouraged to work closely with WDCs to do this. <b>[RoVE paper 1 – paragraph 142 refers]</b></p> <p>Officials will continue to consider the implications and opportunities for PTEs as we plan for the transition of the arranging training function from ITOs to providers.</p> <p>Changes to foundation tertiary education are being considered as part of work coming out of the Welfare Overhaul to improve active labour market programmes. Smaller PTEs with a focus on foundation tertiary education provision (this is an area where a number of Māori PTEs have traditionally worked) will be impacted by this work. Officials will report to Cabinet in September on the proposed scope of this work and will work with the PTE sector as we develop options for change.</p>

## Next steps

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10. Cabinet is due to consider the RoVE package on 22 July. If you have any questions about the proposed package of changes or wish to discuss any of the aspects of the reform with officials please have your office get in touch.