

AGENDA

Reforms of Vocational Education 4 March, 10am

Attendees Minister of Education, Hon Chris Hipkins
Other Ministers to be confirmed
Officials to be confirmed

This annotated agenda explores technical matters to do with the Reform of Vocational Education (RoVE). Recommendations will be made on these matters following consultation; this agenda serves to deepen our understanding of the issues alongside the consultation process.

This annotated agenda covers the following topics:

- Item 1: Impact on levy provisions in the Industry Training and Apprenticeship Act 1992,
- Item 2: Role of ISBs in skills leadership,
- Item 3: Role of ISBs in relation to TEC investment,
- Item 4: Role of ISBs in relation to qualifications and programmes,
- Item 5: Implications for NCEA delivery by schools and tertiary education organisations,
- Item 6: Transition of ITO activities to ISBs and providers,
- Item 7: Design and drafting of NZIST Charter,
- Item 8: Regional boundaries of the NZIST and Regional Leadership Groups, and
- Item 9: Centres of Vocational Excellence (CoVEs).

Proposal 1: Role of industry and providers

Item 1: Impact on levy provisions in the Industry Training and Apprenticeship Act 1992

1. If the proposed role changes go ahead, legislative changes would include amending the Education Act 1989 to include the Industry Training and Apprenticeships Act 1992. This raises a question about the levy provisions currently in the Act, which (very broadly) allow ITOs to impose a levy to pay for some activities (but not training) if the majority of their employers support it. One option would be to retain the levy provisions (Part 5 of the Act) within the Industry Training and Apprenticeships Act 1992, in order to leave the matter open for the time being. A consequential amendment would need to be made to the Act so that the levy provision refers to ISBs rather than ITOs. We would like to discuss your initial views on this issue.
2. It is recommended that you:
discuss with officials the levy provisions in the Part 5 provision in the Industry Training and Apprenticeships Act 1992.

NOTED

Item 2: Role of ISBs in skills leadership

3. In 2018, Cabinet agreed [SWC-18-MIN-0059] that skills leadership should be reinstated as one of the core roles of ITOs. Stakeholders wanted a flexible and robust approach that would adapt to the needs of each industry.
4. Under the proposed 2018 legislation (put on hold in September), ITOs would have to submit satisfactory 'skills leadership plans' to gain recognition. The plans would cover research, planning, engagement and collaboration activities leading to:
 - a. long-term industry skills needs being identified, understood (by the industry, relevant education organisations, and careers services), and being addressed through ITO and employer activities, and
 - b. clear pathways for learners to progress into further training, education and employment.
5. The skills leadership role is now included in RoVE, and we wish to discuss whether any amendments to the approach are required in light of the wider reforms.
6. The main change we would suggest is to the role of the 'skills leadership plans'. Because of the stronger leadership role required of ISBs, it might be preferable to require these skills leadership plans to be included in the broader plan that the ISB submits to TEC as part of seeking public funding. This is a more frequent process than the recognition process, which would encourage ISBs to keep them up to date. It would mean the requirements for the content of the skills leadership plans would be set in Ministerial determinations and TEC Investment Guidance.
7. In the 2018 draft legislation, NZQA was to prescribe quality assurance requirements for ITOs' skills leadership and to monitor their performance against these criteria. We propose to use the same approach for monitoring ISBs.
8. It is recommended that you:
note that officials consider that:
 - a. ISBs should submit an industry-supported skills leadership plan as part of their investment plans to TEC,
 - b. the Ministerial determinations should set requirements for these plans, and TEC should set detailed requirements for the content of the plans, and
 - c. NZQA should review the performance of ISBs in their skills leadership role, as was proposed for ITOs in draft 2018 legislation.

NOTED

Item 3: Role of ISBs in relation to TEC investment

Further decisions required

9. You have agreed in principle that ISBs should advise TEC on investment in vocational education and that TEC must take account of relevant advice from ISBs (and Regional Leadership Groups) when assessing the providers' investment plans (Tertiary Education Report B-18-00942 refers).
10. To develop legislation for RoVE, decisions will be needed on any requirements placed on TEC regarding its relationship with ISBs, such as:
 - a. the weight the TEC should place on ISB advice,
 - b. how and when it elicits advice, and in relation to which activities, and
 - c. demonstrating to industries how the advice of ISBs has affected its decisions.

Guiding principles

11. ISB advice to TEC would need to have a real effect on investment decisions.
12. Legislation should also set out clear requirements to ensure that TEC's consideration process is visible to industry and other stakeholders. For example, TEC could be required to give its assessment of the advice and state how, if at all, investment has been affected. This visibility would help to assure stakeholders that they have been heard, and support ISBs' accountability to industry.
13. To make it feasible for TEC to operate transparently, but also make investment decisions efficiently, TEC would need to be able to place some requirements on the ISB's advice. For example, that investment advice would: be in a consistent form; be a reliable summary of industry views and expectations; include evidence drawn from data and/or research; and be publicly available.
14. Officials' view is that ISB advice should not be "determinative" of the TEC's investment decisions because the TEC must consider other factors and make trade-offs where necessary. It is also unlikely that all ISB advice would be equally robust. TEC's investment decisions would need to consider a range of sometimes conflicting factors, including competing industry interests, regional interests (especially advice from the Regional Leadership Groups), and broader economic, social and network objectives. Decisions will also need to be made within the overall parameters of Ministerial determinations and financial appropriations.

Scope of ISB advice to TEC

15. A further question is the matters which ISB investment advice would address. The main focus of investment advice would be advice on the mix of provision – how many places are required for what occupations or fields of study.
16. However, there are many other matters that ISBs could address in their investment advice. These include advice on the modes of delivery (e.g. is there enough on-job/off-job/distance), or individual providers (e.g. based on the results of moderation and capstone assessments). These areas of advice are more complex, offering some potential for more agility in response to industry needs, but risks from incomplete information or unbalanced assessments (e.g. not taking into account social or equity objectives).
17. Officials consider that it is best that legislation is enabling on this matter, leaving space for officials, industry and providers to work together to provide advice on the best approach.
18. Existing mechanisms allow for this flexibility. TEOs are required to consult stakeholders on investment plans and TEC must set criteria for assessing this consultation. References to ISBs could be added to these requirements. TEC must publish criteria for assessing plans, and could be required to consult ISBs (and regions) on these criteria.
19. It is recommended that you:

note that, subject to consultation, the view of officials is that ISB influence on TEC's investment in vocational education should be effective and visible to industry, but not determinative,

note that officials consider that detailed requirements for ISB investment advice to TEC should be set by TEC, subject to broad legislative parameters and any specific Ministerial directions (e.g. in funding determinations), and

note that officials consider that there should be a broad requirement for the TEC to provide feedback on ISB investment advice, subject to specific Ministerial directions.

NOTED

Item 4: Role of ISBs in relation to qualifications and programmes

20. The proposed reforms explore the possibility that providers could be required to follow an approved nationwide core vocational programme. This is part of a larger question of whether qualification, programme and unit standard arrangements remain appropriate, in their current form, for core vocational programmes in the future environment. In the event that vocational programmes use core 'training packages', in the future we need to work through with key stakeholders the respective roles that ISBs, CoVEs and providers would play in the 'life cycle' (needs identification, development, review, and update) of a training package.
21. This is one of the key interface issues between providers and ISBs, that will determine the flexibility of providers to adapt programmes to different needs (e.g. to take a kaupapa Māori delivery approach or to adapt to regional differences in employers' skill needs), and the ability of industry to ensure that the same skills have been acquired regardless of where they were learnt. It would also affect the range of choices open to learners, but also their ability to move between providers and between study and work.
22. Our work to date suggests that we can implement whatever decisions arise from this work through changes to NZQA rules – in other words, decisions are not required in time for the Cabinet paper to be provided in April that will lead to drafting instructions. Therefore, there is some choice about the timing of how we work this issue through with the sector.
23. We are currently considering arranging a facilitated workshop towards the end of March to explore the issue. It would involve both industry and providers, including wānanga, schools, PTEs and university representatives.
24. In light of the complexity of the issue, and the choices about the timing of this work, we would like to discuss our approach with you.
25. It is recommended that you:

note that:

- a. there will be differing stakeholder views on the extent to which a nationwide core vocational programme is desirable,
- b. changes to the roles of the ISBs and providers in setting programmes and qualifications do not appear to require legislative change,
- c. officials are considering holding a workshop with industry and providers to explore how skills standards could apply to qualifications and programmes, and

discuss with officials our approach to qualifications and programmes.

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Item 5: Implications for NCEA delivery by schools and tertiary education organisations

26. The changes to standard-setting in vocational education (as part of establishing ISBs) creates an opportunity to connect this to work arising from the NCEA review to consider how industry-derived standards could be aligned to NCEA requirements.
27. Officials on the two reviews will work to develop transition programmes that allow this alignment to occur.
28. NCEA is currently under review, but the process for this review is on a longer time track than RoVE. As RoVE is expected to impact on the way skills standards are reflected in qualifications (as discussed above), it is important to consider the linkages between the two reviews.
29. A key strength of NCEA is its ability to recognise curriculum-related learning as well as industry-relevant knowledge, skills and capabilities. However, concerns have been raised about the

credibility and coherence of vocationally-orientated learning within NCEA, and the pathway from NCEA into higher-level vocational education.

30. The RoVE work provides an opportunity to address some of these concerns with NCEA. It also represents an opportunity to raise the standing of vocational options amongst the school community.
31. The proposals include the potential for fundamental changes to how industry-derived standards are regulated and assessed, including a possible shift away from unit standards. This would have significant flow on implications for the delivery of vocationally-orientated learning by schools and other providers offering NCEA.
32. Once initial decisions on RoVE are made in May, we propose further work in partnership with the new ISBs, schools and other providers offering NCEA, to review how learning towards industry-derived standards could be aligned to NCEA requirements, including the National Curricula.
33. An early focus on standard-setting, curriculum support, and the accreditation of initial VET at Level 2 and 3 for delivery in schools and other providers would help to address issues raised in both the NCEA Review and RoVE. The timeline for changes to NCEA has not been confirmed, but implementation is not expected to begin until 2021, and could take a number of years to bring to completion. This would be consistent with the likely timeline for role changes in RoVE.
34. Where possible, we will seek to ensure the RoVE work complements the direction of travel and timeframes for the NCEA Review.
35. It is recommended that you:

note that changes to the form of 'skills standards' (e.g. if unit standards are replaced with larger components within qualification) would impact in the medium to long term on:

- a. all vocational education providers including schools, wānanga and private training establishments in addition to the proposed NZIST, and
- b. NCEA delivered by schools and tertiary education providers.

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Item 6: Transition of ITO activities to ISBs and providers

36. The consultation document notes that the skills and capabilities of ITOs would mean they are well-placed to be recognised as ISBs, and leaves open the possibility that industry bodies could be recognised as ISBs, and that there will be a need to work over time to extend the coverage of ISBs to fill gaps.
37. Officials are scoping a range of transition matters, with a focus on any issues to include in legislation. There are many matters that do not require legislation, and we expect that work on these, and the involvement of the sector in this work, would continue beyond the current consultation period. At this stage, we will seek your initial reaction to some high level options for how legislation could determine the ITO transition.

Further decisions required

38. Under the current proposals, the ISB, ITO and provider roles would be reorganised. Such a reorganisation to the vocational education system would be disruptive to those involved. Over the period of transition, we will therefore need to ensure that service quality and delivery to learners and employers is maintained and that all participants (learners, ITOs/ISBs, and providers) remain in training or operationally viable.
39. The transfer of the training functions from ITOs to providers will reduce both the ITOs' source of funding and significantly reduce their work programme with an associated reduction or transfer of staffing. The providers, on the other hand, will need time to build the corresponding

capacity and capability into their institutions, and this will need to be in place before learner management can be confidently transferred from ITOs to providers.

40. During the transition, there may be an extended period of overlap between the new and old systems. For example, funding will still be required to ensure the management and flow of workplace training continues, and quality assurance review and programme approvals activities will also need to be maintained.
41. The implications of this reorganisation of functions across the system are complex. Our initial estimates are that a lead-in time of at least two years is required before legislative change comes fully into effect, although longer may be preferable. We envision a period of transition while remaining aware that the uncertainty associated with a long transition can have a destabilising effect on all participants. While grandfathering provisions in legislation can provide a solution, we also need to ensure the viability of all parts of the system as functions move from one entity to another but responsibility for delivery remains.
42. There are a number of options for how we might sequence the transition, bearing in mind that the priority is to minimise disruption to learners and employers, and ensure stability in the system. The below table frames transition options at a high level, and it is important to emphasise that the practicalities of implementing any option will not be straightforward. For example, we would need to determine the extent to which the Crown might direct outcomes for private commercial enterprises, should the sector be unable to agree on how best to organise themselves. Considered within that would be what this would mean for the ITOs' assets and liabilities, their staff and systems, their IP, and future streams of revenue.
43. We seek your initial reaction to three potential approaches which are looking at ways to mitigate the lead-in time required for providers to build capability and capacity for the functions transferring from ITOs, and for industry to organise themselves into ISBs.

Table one: options for transitioning ITO activities

Option	Addresses capability and capacity issues	Supports greater skills leadership	Provides system stability and more certainty	Supports participants to remain operationally viable during transition	Maintains quality and delivery of service to learners and employers
Option A ITOs are deemed to be ISBs as at 1 January 2020 and they transition across their training-related functions over the next two plus years to providers with a final switch over date of 1 February 2022.	–	x	–	✓	✓
Option B ISBs are established in legislation at 1 January 2020 and come into force shortly thereafter. ITOs remain with a grandfathering provision in legislation to transition their functions to ISBs and providers over a period of two plus years.	✓	✓	✓	x	✓
Option C ITOs remain in their current form and ISBs are enabled by legislation but do not come into	x	✓	✓	x	✓

force for 18 months – two years. Training shifts over to providers but ITOs retain responsibility and funding for their existing clients/learners through to completion of their training.					
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44. It is recommended that you:

discuss with officials the options for transitioning ITO activities and indicate your initial preference for an approach.

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Proposal 2: Creating the New Zealand Institute of Skills & Technology

45. The second reform proposal is to establish a New Zealand Institute of Skills & Technology (NZIST). Officials engaged with the ITP sector at workshops on 14 and 22 February, and more workshops are scheduled with this sector. We will provide you with further information and advice about the detailed design of the new NZIST over the next month, for you to note.
46. In this annotated agenda, we discuss the NZIST Charter, approaches to regional boundaries of the NZIST and Regional Leadership Groups, and propose a timeframe for making decisions on policy settings for Centres of Vocational Excellence (CoVEs).

Item 7: Design and drafting of NZIST Charter

47. This section provides comment on issues related to the design and drafting of a charter, as well as some comments on possible principle level requirements for inclusion.

Possible pathways

48. You have indicated that the charter for the new institution should be included in the legislation, and would set out key principles and expectations of the NZIST, at a high level. We note that this would therefore be a different type of charter than other charters currently in place (or have historically been used) in the education system. For example:
- a. **school charters** are developed by each school and set out the mission, aims, objectives, directions, and targets of the board that will give effect to the Government's national education guidelines, and
 - b. **TEO charters** (repealed in 2008), which were Minister-approved statements of the role and mission of TEOs to support "profiles" which were linked to government funding. These replaced historical charter documents that described institutions' relationships with the communities they served.
49. Officials are currently exploring are two potential pathways for building the NZIST Charter into legislation:
- a. **Pathway one:** a provision is inserted into legislation that allows for the drafting and placement of a constitution into secondary legislation (e.g. by order in council) at a later date, but with a time limit as to how soon a charter would need to be finalised. This pathway would provide flexibility around the timing and drafting of the charter, and it also provides more time to ensure consultation feedback is properly assessed and incorporated into the charter.
 - b. **Pathway two:** a full charter is drafted into the Bill, and would take effect at the time the legislation is passed. The Bill would refer to the charter as a guiding document for the NZIST. Consultation on the specifics of the charter would need to be achieved through the parliamentary process of consultation on the proposed Bill.

50. In order to ensure the charter has the kind of impact envisaged, the NZIST could be required to "give effect" to the provisions in the charter, and then report annually as to how it is progressing against charter requirements.
51. Feedback from consultation will be critical to identify the content and requirements for the charter. Stakeholders are likely expect to seek a reflection of their fundamental principles and values in the charter, in order to set the direction and tone of the new entity. This would be challenging to fully address within the timeframe for the Bill, hence 'pathway one' is our preferred approach.

Design considerations

52. In terms of overall design and structure however, there are some components that we could reasonably conclude are likely for a charter of this type. For example:
 - a. sections would likely be grouped around organisational behaviour (overall governing principles), and then additional sections that address specific education delivery or key operational areas,
 - b. a section at the very front of the charter outlining *high level institutional principles* (which would effectively set the tone as to how the organisation operates in future),
 - c. a section relating to the *involvement of stakeholders in the governance* of the new entity (such as support for students, iwi, etc. – and their involvement in the entity's decision making processes),
 - d. a series of provisions that outline the responsibilities of the entity in term of engaging, and *meeting community and regional goals and aspirations*, and
 - e. a section that highlights *delivery principles* around education outcomes and services (as opposed to previous sections that relate to organisational structure or behaviour).

Academic freedom

53. The protection of academic freedom could also be included in the charter, although there may be some merit to having it as a separate legislative provision as its own section of the Act. This would allow it to sit on an equal footing to other provisions in the Act - including the charter itself. It is likely that the existing provisions will be sufficient, although we will explore this further following consultation and during the legislative drafting process. If the charter is to be secondary legislation set by order in council, we would recommend protections of academic freedom remain in primary legislation.
54. It is recommended that you:

discuss with officials the two likely pathways for the drafting of a charter:

 - a. Pathway one: insert a provision providing for the drafting and confirmation of a charter by order in council to be made by the time the Bill is passed, or
 - b. Pathway two: draft a charter of guiding principles for inclusion in the bill, which would take affect when the bill is passed.

note that officials consider 'Pathway one' would be the preferable option.

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Item 8: Regional boundaries of the NZIST and Regional Leadership Groups

Approach for determining the regional boundaries of the NZIST

55. On 10 December 2018, you indicated that government would have a role in determining the regional structure of the NZIST, to improve cross-government alignment.

56. We would work with SSC and other government agencies to align boundaries, in particular:
- a. work is underway to align MBIE's work on regional skills bodies (RSBs) with RoVE proposals. MBIE will present Labour Market Ministers with high-level options for regional skills co-ordination on 13 March. MBIE proposes to begin publishing regional skill shortage information in April 2019, and
 - b. it would be important to coordinate with any regional structure established following the review of Tomorrow's Schools. The next step in this work is a report to the Minister by 30 April.

57. Officials' current preferred approach is to include provisions in the legislation to allow the government to subsequently instruct the NZIST as to its regional structure. This leaves time to work through the regional alignment matters across government, and to sequence the changes in regional boundaries within the NZIST network with the wider transition programme. There is a risk otherwise of adding significant complexity into the transformation process.

58. We seek your views on this approach.

Approach to Regional Leadership Groups (RLGs)

59. On 13 March, Labour Market Ministers will discuss options for aligning the Welfare, Immigration, and Education approaches to regional skills coordination. To support your discussion at that meeting, and to help progress officials' thinking on RLGs, we would like to discuss with you the broad nature of these groups. There is a significant amount of work to do to understand the practicalities of RLGs, including how they are constituted, what precise roles and functions they might have, and the relationship between their advice and TEC's funding decisions. Before we undertake this work, we wanted to discuss your initial thoughts on the relationship you envisage between RLGs and the education system (and therefore the NZIST).
60. RLGs could conceivably sit within either the education or employment systems, although no matter where final responsibility sits, cross-agency consultation would be a core part of their role.
61. Establishing RLGs within the education system could see them having some independence from, but alignment with, other agency and education initiatives. Responsibility for establishing RLGs under this approach could sit at the Ministerial, agency, or NZIST level. If they are going to be part of the NZIST, they are likely to evolve into a quasi-governance role for regions or campuses.
62. The benefits of this approach include that they would be better positioned to align with other education initiatives, as well as to advise on the quality and relevance of provision within a region. On the other hand, too close a relationship with the NZIST may make an independent view of a region's skill needs more difficult to achieve.
63. Establishing RLGs within the employment system could see the regional leadership function combined with MBIE's proposed Regional Skills Hubs (or housed within an entity like a regional economic development agency). Responsibility for establishing RLGs under this option could also sit at the Ministerial, agency, or regional government level, depending on which lines of accountability need to be the strongest. The benefits of this approach is that it would better connect vocational provision to the regional skills supply system.
64. Following our discussion with you, we will come back with options for how RLGs could be constituted, and options for roles, functions and accountability arrangements.
65. It is recommended that you:
- discuss** with officials how you see the regional boundaries of the proposed NZIST being set in legislation, and

discuss with officials whether the proposed regional leadership groups should be part of the education or employment systems, and what relationship you envisage them having with the proposed NZIST.

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Item 9: Centres of Vocational Excellence

66. Subject to the outcomes of consultation, we would like to discuss the opportunities presented by Centres of Vocational Excellence (CoVEs) and the functions they might provide to the system.

How CoVEs can recognise and build excellence in vocational education

67. It is proposed that CoVEs would be hosted by the IST or wānanga and that CoVEs would both be awarded in recognition of excellence, and to build excellence in the system.
68. We consider that the best way to recognise and then build excellence is through setting a high standard for the achievement of 'CoVE status' in the system. While a CoVE would be hosted in a regional arm of the NZIST or a wānanga, it should operate as a consortium that brings together relevant expertise in a particular area.
69. To achieve CoVE status we consider that the selection criteria should require the applicant to demonstrate certain baseline attributes, such as industry-relevant provision, high qualification completion rates, and excellent employment outcomes. It would also need to demonstrate how it would bring together capability across the network into the CoVE. The CoVE could then be tasked with building further excellence through an additional set of functions (potential functions discussed below).
70. Designed this way, CoVEs could quickly bring providers and industry together to collaborate on specific tasks. However, it may replicate the proposed funding system changes, which are themselves intended to enhance collaboration between providers and business. Given this, it is important to consider the additional functions that CoVEs could undertake in order to be a genuine centre of excellence, as distinct from a highly performing institution.

Potential functions of a CoVE

Baseline functions

71. CoVEs could build excellence in one or all of the following broad areas:
- a. maintaining and growing excellent provision within its area of speciality through drawing together excellence within the overall network,
 - b. sharing high quality curriculum and programme design with the rest of the system including across regions and potentially wānanga and PTEs, and
 - c. providing additional services to the vocational system.
72. You are currently consulting on the functions and role boundaries between the proposed NZIST, ISBs and CoVEs. A key question still to be worked through is who should take the role of curriculum and programme design. It is possible that CoVEs could coordinate this role.
73. It is recommended that you:

note we will provide you with further advice on roles in the system for ISBs, NZIST, and CoVEs following consultation.

NOTED

Providing additional services to the vocational system

74. CoVEs could provide additional functions to the system that are not intended to be provided by either the NZIST or an ISB. The kinds of functions a CoVEs should perform (which would depend on the scope of the NZIST and ISBs' functions) could include:
- training support for employers to improve their teaching ability,
 - share applied research with providers and industry to improve knowledge exchange,
 - focus on pathways through vocational education, including from school,
 - provide learning technologies across the network to minimise cost and duplication of high cost equipment, and
 - provide best practice pastoral care to learners and advice to providers/employers to support good outcomes.
75. If you are interested in CoVEs having these kind of functions, we will work through the options and implications in more detail. We also expect that the consultation process will flush out more potential functions for CoVEs.
76. It is recommended that you:
- discuss** officials' current thinking on an approach to CoVEs.

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Timing for CoVEs

77. You have indicated that you would like to announce one or two CoVEs in the second half of the year. We recommend that decisions about CoVEs are made after you have made decisions regarding the roles and functions of the other bodies in the system, such as ISBs and the potential NZIST. This would mean we could provide you with advice on CoVEs in June, following the RoVE policy decisions Cabinet paper in May.
78. Advice in June is possible because CoVEs will not require legislative changes to implement. This timing would also ensure that we can design CoVEs to complement the roles of legislated bodies in the system to avoid the potential for sector confusion and replication of educational services. This would still allow you to announce a process for establishing a small number of CoVEs by the end of 2019.
79. It is recommended that you:
- note** that officials recommend options for CoVEs be considered in June, after policy decisions on the functions and role of ISBs and NZIST are made.

NOTED

Funding for CoVEs

80. We have assumed a cost of between **s 9(2)(f)(iv)** per year for a CoVE, largely based on the cost of operating Centres of Research Excellence and the ICT Graduate Schools. We will be in a better position to estimate the likely costs in more details once their core functions are decided.
81. Funding for the establishment of a number of CoVes may be able to be found within Vote Tertiary Education by the end of the financial year, although it is unlikely this would be able to fund multiple years of operation. Ongoing funding could be sought as part of Budget 2020. We do not recommend you use the proposed Budget 2019 contingency for RoVE to establish CoVEs unless the costs of transition are below the \$197 million of funding currently available for the establishment and transition to core features of RoVE. We are working to get an initial view of the transition costs in time for the Cabinet report back in early May, but are not likely to have a detailed analysis available until mid-year.