



Ministry of Education
Te Tāhuhu o te Mātauranga



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

Report

Date: 2 April 2025 **Security Level:** In Confidence

To: Hon Louise Upston, Minister for Social Development and Employment
Hon Penny Simmonds, Minister for Vocational Education

Copy: Hon Erica Stanford, Minister of Education

File Reference: REP/25/3/224

Scoping the report back on the implications of vocational education and training redesign for learners

Purpose of the report

- 1 This report seeks agreement to a proposed scope and approach to the joint report back to Cabinet in June 2025 from the Minister for Vocational Education and the Minister for Social Development and Employment on the implications of the vocational education and training (VET) redesign on learners (as per recommendation 13 of SOU-24-MIN-0174).

Recommended actions

It is recommended that you:

- 1 **agree** to the proposed scope of the June report back on the implications of the VET redesign for learners and the Jobseeker reduction target, including the scope of disadvantaged learners and the inclusion of potential/future learners

Agree / Disagree

- 2 9(2)(f)(iv) [Redacted]
[Redacted]
[Redacted]
[Redacted]

Agree / Disagree

- 3 **agree** that the June report back take the form of a short report annexed to the June VET Cabinet paper, with implications for learners considered in the Cabinet paper where relevant

Agree / Disagree



Harriet Miller
Manager, Labour Market Policy
Ministry of Social Development

2/4/2025

Date



Rachel Dillon
Programme Manager, VET System
Redesign
Ministry of Education

2/4/2025

Date

Hon Louise Upston
Minister for Social Development and
Employment

Date

Hon Penny Simmonds
Minister for Vocational Education

Date

Background

- 2 On 18 December 2024, the Cabinet Social Outcomes Committee (SOU)¹ invited the Minister for Tertiary Education and Skills² and the Minister for Social Development and Employment to report back to SOU in June 2025 with interim analysis on how the proposed changes to the vocational education and training (VET) system are expected to impact learners and on:
 - 2.1 the implications for disadvantaged learners, and on the Jobseeker Government Target; and
 - 2.2 the continued operation of Trades Academies and vocational learning in secondary schools 9(2)(f)(iv)

Changes in the VET system will have implications for current and future learners

- 3 The redesign of the VET system⁴ will result in significant structural changes and may impact learner options and choices in terms of what and how they study and which tertiary provider they enrol with.
- 4 Learners are defined as individuals engaged in a programme of study leading to a qualification listed on the New Zealand Qualifications and Credentials Framework (NZQCF).
- 5 We are seeking Minister's agreement to expanding the scope of the report back to include existing learners and 'potential/future learners'. This will enable us to think beyond learners already engaged in the VET system, and consider the implications of the proposed redesign on potential future learners and on the Jobseeker reduction target.

The report back will include a focus on disadvantaged learners

- 6 There is no single definition of 'disadvantaged learners'. In education policy, disadvantaged learners can refer to individuals who historically have not been well served by the education system, for example, disabled, Māori, and Pacific learners. There is also evidence indicating that learners with low prior achievement (learners who have not previously achieved a qualification at

¹ Acting under authority from Cabinet.

² Now the Minister for Vocational Education.

³ National Certificate of Educational Achievement

⁴ Cabinet decisions being made on the VET redesign are outlined in appendix one. The redesign also includes changes to delivery through the financial improvement plans being implemented by Te Pūkenga.

Level 3 or above on the NZQCF) are also likely to need additional support to succeed in tertiary education.

- 7 In addition to the disadvantaged learners listed above, the Minister for Social Development and Employment wants to understand the potential impacts of the redesign on young people aged 16 – 24 who are not in employment, education or training (NEET), Jobseekers (e.g. Jobseeker Support - Work Ready and Jobseeker Support - Health Condition and Disability recipients), and sole parents (e.g. Sole Parent Support recipients).

Officials have identified five main questions for analysis

- 8 The report back will focus on five overarching questions to help understand the implications of the proposed changes on learner outcomes and employment prospects (particularly for Jobseekers):
 - 8.1 How does the VET system (and the attainment of VET qualifications) affect an individual's employment prospects, including their likelihood of entering or remaining on a main benefit?
 - 8.2 How significant is VET as a pathway for school leavers, young people who are NEET, and beneficiaries to exit the benefit system and to improve their employment prospects?
 - 8.3 What are the potential implications of the proposed/agreed changes to the VET system on learner participation and success, including changing access to VET and volumes of graduates with high quality VET qualifications (with a focus on disadvantaged learners)?
 - 8.4 9(2)(f)(iv)
 - 8.5 How will the VET changes interact with the work being undertaken to achieve the Jobseeker reduction target?

Interim analysis will focus on the direct implications of the redesign

- 9 We propose that the June report back take the form of a short report annexed to the June VET Cabinet paper. The June Cabinet paper will seek decisions on the future polytechnic network and the number and sector coverage of Industry Skills Boards. However, the report back with interim analysis on the impacts of learners will also consider the impacts of the broader redesign.
- 10 Final decisions on the VET redesign are still being made (see key Cabinet decisions in Annex 1). The June report back will identify where we consider the greatest impacts are likely to be in terms of learner cohorts and regions, based on the current state and previous experience.

Our analysis will draw on a number of sources

- 11 Analysis to inform the report back will consider the effect of proposed programme and campus closures as part of the shift toward financial viability for polytechnics. Advice from Te Pūkenga on progress implementing their financial improvement plans is expected in May 2025 and will feed into this analysis.
- 12 In undertaking this analysis, the Ministry of Social Development (MSD) and the Ministry of Education (MoE) will draw on administrative data, existing qualitative and quantitative evidence, and existing data models that utilise IDI data. Where possible, all analysis will be supplemented with a regional and industry lens.
- 13 Officials will also draw on, where relevant, the wider work taking place as part of the Labour Market Ministers work programme.
- 14 Monitoring of the educational and employment outcomes of Trades Academy and Gateway programmes is currently underway and insights from this work, alongside further analysis of impacts, will be included in the June report back.

Further analysis will inform future decisions on supporting strategically important provision

- 15 The impacts will not be fully understood until the structural changes are complete, private providers have responded, and we start to see how learner choice/decision making is affected, and how this in turn affects participation and outcomes.
- 16 The extent to which private tertiary education providers, universities and Wānanga will fill any gaps in VET provision as a result of changes to the polytechnic network is as yet unclear. 9(2)(f)(iv)

However, it will not be possible to include this analysis in the June report back.

- 17 9(2)(f)(iv)

Next steps

- 18 MSD and MoE will undertake analysis in line with the content of this advice and your feedback.

- 19 Advice on the outcomes of interim analysis will be provided to you in May, in advance of agency and Ministerial consultation on the June VET Cabinet paper.

Appendix

- 20 Appendix One: Key decisions for the vocational education and training redesign.

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Appendix One – Key decisions for the vocational education and training redesign

Cabinet dates	Decisions
December 2024 (decision made)	<ul style="list-style-type: none"> Policy decisions to inform drafting of amendments to the Education and Training Act 2020, including amendments to: <ul style="list-style-type: none"> Disestablish Te Pūkenga and Workforce Development Councils (WDCs) enable the establishment of a network of Institutes of Technology and Polytechnics (ITPs) and Industry Skills Boards (ISBs) the training levy provisions.
March 2025 (decisions made)	<ul style="list-style-type: none"> Funding for the learner component defining strategically important provision in the VET system funding for standards setting functions.
April 2025	<ul style="list-style-type: none"> the delivery model for work-based learning transitional arrangements.
May 2025	<ul style="list-style-type: none"> approval to introduce legislation levy settings to enable industry to fund ISBs fee changes the remit of ITPs.
June 2025	<ul style="list-style-type: none"> the number and location of ITPs the number of Industry Standards Boards.