



# Report: Final Cabinet paper – Proposed establishment of Institutes of Technology and Polytechnics

To:	Hon Penny Simmonds, Minister for Vocational Education		
Cc:	Hon Erica Stanford, Minister of Education Hon Louise Upston, Minister for Social Development and Employment Hon Shane Reti, Minister for Universities		
Date:	17/06/2025	Deadline:	17/06/2025
Security Level:	In-Confidence	Priority:	High
From:	Rachel Dillon	Phone:	9(2)(a)
Drafter:	Rachel Dillon	METIS No:	1349672

## Why are we sending this to you?

- You are receiving this because we have incorporated your requested changes to the attached Cabinet paper and Annex 2.

## What action do we need, by when?

- We are seeking your agreement to the edits and approval to lodge the Cabinet paper and annexes.
- This Cabinet paper is scheduled to be considered at Social Outcomes (SOU) Cabinet Committee on 25 June 2025 and must be lodged by 10am on 18 June 2025.

## Alignment with Government priorities

This report aligns with Government priorities as part of the work programme to disestablish Te Pūkenga and confirm new funding settings to come into effect from 1 January 2026.

## Background

1. The attached Cabinet paper 'Proposed establishment of Institutes of Technology and Polytechnics' is scheduled to be considered at SOU on 25 June 2025. In order to meet this deadline, the attached Cabinet paper must be lodged by 10 am 18 June 2025.

## Context

2. At your meeting with tertiary agencies' officials today, 17 June 2025, you requested further edits to the attached Cabinet paper and Annex 2.
3. We have incorporated your suggested edits in the attached Cabinet paper. We have also incorporated additional text in Annex 2 from the Tertiary Education Commission, which highlights that all financial analysis relating to the financial viability of polytechnics are at a point in time and subject to change, based on enrolments and demand.
4. We have included the recommendation you requested that savings from cost-out work in the polytechnic sector will be ring-fenced for polytechnics and signalled your intention to consider shifting funding to allow for more youth guarantee places (see paragraph 25 and recommendation 13 of the Cabinet paper). 9(2)(g)(i)

5. We are working with the TEC to compile data on current demand for Youth Guarantee places, and which TEOs deliver Youth Guarantee programmes and the regions where they deliver. This will be with you as soon as possible.

## Next Steps

6. Approve the edits to the attached amended Cabinet paper and Annex and discuss changes noted above with Minister Reti.
7. Approve the Cabinet paper and the six annexes for lodging.

## Annexes

The following are annexed to this paper:

Annex 1: Cabinet paper 'Proposed establishment of Institutes of Technology and Polytechnics'

Annex 2: Financial information for polytechnics

## Recommended Actions

The Ministry of Education recommends you:

- a. **note** that the changes and edits requested by you have been made to the attached papers

**Noted**

- b. **agree** to discuss reprioritisation of funding in Vote Tertiary with the Minister for Universities

**Agree / Disagree**

- c. **agree** to lodge the Cabinet paper 'Proposed establishment of Institutes of Technology and Polytechnics' and accompanying six annexes by 10am on 18 June

**Agree / Disagree**

### Proactive Release:

- d. **agree** that the Ministry of Education release this paper once it has been considered by you with any information needing to be withheld done so in line with the provisions of the Official Information Act 1982.

**Agree / Disagree**



Rachel Dillon  
**VET Programme Manager**  
**Te Pou Kaupapahere**

17/06/2025

Hon Penny Simmonds  
**Minister for Vocational Education**

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