

Report: Cabinet paper for lodgement – Approval to Introduce the Education and Training (Early Childhood Education Reform) Amendment Bill

To:	Hon David Seymour, Associate Minister of Education		
Cc:	Hon Erica Stanford, Minister of Education		
Date:	16/07/2025	Deadline:	17/07/2025
Security Level:	Sensitive	Priority:	High
From:	Paul Scholey Senior Policy Manager	Phone:	9(2)(a)
Drafter:	Emma Hooton	METIS No:	1350858

Why are we sending this to you?

 This report provides you with a Cabinet paper and talking points for the Cabinet Legislation Committee (LEG). The paper seeks approval to introduce the Education and Training (Early Childhood Education Reform) Amendment Bill. We have also attached a copy of the Bill (PCO will provide printed copies to you, the Minister of Education Cabinet Office) and a copy of the Departmental Disclosure Statement.

What action do we need, by when?

 Agreement to lodge the attached Cabinet paper and Bill by 10am on Thursday 17 July 2025 for consideration by the Cabinet Legislation Committee (LEG) on Thursday 24 July 2025. The Ministry of Education will lodge the Departmental Disclosure Statement at the same time.

Key facts, issues and questions

- On 3 July 2025, we provided you with a draft LEG paper Approval to Introduce the Education and Training (Early Childhood Education Reform) Amendment Bill [METIS 1349935 refers] seeking your agreement to begin joint agency and Ministerial consultation on the draft Cabinet paper. Additionally, the paper sought joint decisions from yourself and Minister Stanford on two minor and technical drafting changes, which were agreed to.
- Ministerial and agency consultation on the draft Cabinet paper took place from 8 to 15 July 2025. Only minor changes were made to the paper and Bill in response to feedback.
- Talking points to support the discussion at the Cabinet Legislation Committee are attached in Annex 3.

Alignment with Government priorities

 This report aligns with the Coalition Government's commitment to carry out a regulatory sector review of early childhood education (ECE) and legislate to improve the quality of regulation.

Background

- On 3 July 2025, we provided you with a draft of the attached Cabinet paper and Bill [METIS 1349935 refers] seeking agreement to commence joint agency and Ministerial consultation on both documents.
- Agency consultation on the draft Cabinet paper and associated Bill was undertaken from 8 to 15 July 2025 in parallel with the Ministerial consultation undertaken by your office. Due to the confidential nature of references to proposed machinery of government changes, agency consultation was necessarily limited to the Ministry for Regulation (MfR), Ministry of Justice (MoJ), Education Review Office (ERO), Public Service Commission (PSC), Office of the Privacy Commissioner (OPC), and Treasury. The Department of the Prime Minister and Cabinet was informed of the proposals in this draft Cabinet paper.

Consultation feedback

- MfR raised concerns that the Cabinet paper was not clear enough about the decision to eventually transfer the Director of Regulation role and functions to the ERO 9(2)(f)(iv)

 . MfR also wanted more clarity on how the roles would be differentiated between the Secretary, Director, the Ministry of Education, and ERO. In response, we have shifted the content regarding Cabinet's decisions on the transfer of functions to the "Policy" section to the beginning of the Cabinet paper. 9(2)(f)(iv)
- MfR provided additional feedback, recommending:
 - Adding a statutory power for the Director of Regulation to grant exemptions. We did not implement this suggestion as it is not within the scope of the existing policy decisions and would require significant additional consideration which would likely delay the progress of the Bill. In addition, the specific regulatory requirements to which a potential exemption could be applied are currently unknown.
 - Rebalancing the weighting given to potential concerns about "cost minimisation" that might arise during consideration of the Bill. We have amended the text in paragraph 20.3 to more closely align with the actual wording used in the Bill which is "avoiding unnecessary costs" and provide a more balanced explanation of potential concerns.
- Treasury and the Office of the Privacy Commissioner also provided feedback.
 - The Treasury queried whether a couple of aspects of the draft Bill are consistent with the drafting mandate under Cabinet minute [CAB-25-MIN-0123]. Specifically, the inclusion of "enabling funding" in one of the objectives. While this wording was not included in the original Cabinet paper, the inclusion of "enabling funding" captures existing wording included in section 14 of the Education and Training Act. As the Bill is

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- not seeking to make any changes in relation to funding, we have retained this reference in the Bill and have not amended the Bill or the paper.
- Treasury also recommended some minor technical changes to be made to the Bill.
 These have been incorporated in the Bill.
- The Office of the Privacy Commissioner suggested that we narrow the scope of the section 128 "personal information" provision, as it risks being misconstrued as limiting privacy protections under the Privacy Act 2020, which was not the intention. Accordingly, the Bill has been amended to align with the feedback and ensure the provision fulfils its intended purpose.
- We understand that there was no feedback or issues raised from the Ministerial consultation that was undertaken.

Next steps

 This Cabinet paper must be lodged by 10am on 17 July 2025 for consideration by LEG on 24 July 2025. The timeline below sets out the milestones advised to us by your office yesterday following their discussions with the House Advisor, for the Bill to be introduced, read a first time and referred to the Education and Workforce Committee in time for enactment by 18 December 2025.

Milestone	Timeline
Final LEG Cabinet paper to Minister Seymour's office for lodging at Cabinet Legislation Committee	16 July 2025
Lodge LEG Cabinet paper for Cabinet Legislation Committee	17 July 2025
Cabinet Legislation Committee	24 July 2025
Cabinet approval to introduce the Bill	28 July 2025
Introduction	31 July 2025
First Reading	Potentially 13 or 19 August 2025

^{*}Note: this feedback was provided by the Minsitry for Regulation, not Treasury as stated.

Annexes

The following are annexed to this paper:

Annex 1: Cabinet Legislation Committee Paper - Approval to Introduce the Education and

Training (Early Childhood Education Reform) Amendment Bill [attached

separately]

Annex 2: Talking points for Cabinet Legislation Committee 24 July 2025

[SENSITIVE]

Annex 3: Education and Training (Early Childhood Education Reform) Amendment Bill

[attached separately]

Annex 4: Departmental Disclosure Statement [attached separately]

Annexes withheld in full under section 9(2)(f)(iv) of the Act.

The final Cabinet paper will be available at https://www.education.govt.nz/our-work/information-releases/issue-specific-information-releases/early-learning-regulatory-review

The Education and Training (Early Childhood Education Reform) Amendment Bill (Annex 3) is available at https://www.legislation.govt.nz/bill/government/2025/0191/latest/whole.html

The Departmental Disclosure Statement (Annex 4) is available at https://disclosure.legislation.govt.nz/bill/government/2025/191

Recommended actions

The Ministry of Education recommends you:

 a. note that this report provides a summary of consultation feedback on the Cabinet paper and Bill and the changes that have been made to the attached Cabinet paper and Bill;

Noted

b. **lodge** the attached Cabinet paper by 10am, Thursday 17 July 2025 for consideration by the Cabinet Legislation Committee on 24 July 2025;

Agree Disagree

Proactive release:

c. agree that the Ministry of Education release this paper after final decisions have been made by Cabinet with any information needing to be withheld done so in line with the provisions of the Official Information Act 1982.

Agree / Disagree

Paul Scholey

Senior Policy Manager

Te Pou Kaupapahere

16/07/2025

Hon David Seymour

Associate Minister of Education

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