



**Te Tāhuhu o
te Mātauranga**
Ministry of Education

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

To:	Hon Erica Stanford, Minister of Education Hon David Seymour, Associate Minister of Education		
Date:	3/07/2025	Deadline:	8/07/2025
Security Level:	In-Confidence	Priority:	High
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Why are we sending this to you?

- This paper seeks Minister Seymour's agreement to begin joint agency and Ministerial consultation on the draft Cabinet Legislation Committee (LEG) paper 'Approval to Introduce the Education and Training (Early Childhood Education Reform) Amendment Bill' (Annex 1) and the draft Bill (Annex 2) from 8 – 15 July 2025.
- Additionally, this paper seeks joint decisions from Minister Stanford and Minister Seymour on two minor and technical drafting changes to improve the workability of the Education and Training (Early Childhood Education Reform) Amendment Bill (the Bill). Cabinet approved Ministers to make joint decisions on policy and drafting issues without the need to go to Cabinet [CAB-25-MIN-0123 refers].

What action do we need, by when?

- Please return the signed paper by 8 July 2025, so we can finalise the Bill and Ministerial and agency consultation can start.

Key facts, issues and questions

- The draft Cabinet paper sets out the proposals in the Bill as approved by Cabinet.
- We are seeking joint Ministers agreement to two minor and technical changes in the Bill that have been made as part of the drafting process and improve the workability of the Bill.
- Joint Ministerial and agency consultation on the draft Cabinet paper is scheduled for 8 – 15 July 2025. Following this, the draft Cabinet paper is due to be considered at LEG Committee on 24 July, Cabinet on 28 July and the Bill introduced into the House on 29 July.

Alignment with Government priorities

1. 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

2. The Education and Training (Early Childhood Education Reform) Amendment Bill proposes a range of changes to the Education and Training Act 2020 (the Act) and associated regulations. It includes key policies that progress the recommendations of the ECE regulatory sector review, including:
 - 2.1. clarifying the purpose, objectives, and guiding principles for regulating ECE services;
 - 2.2. establishing the Director of Regulation (the Director) role and outlining its powers and functions;
 - 2.3. providing for the Minister to prescribe criteria to be used by the Director of Regulation in assessing compliance with the minimum standards; and
 - 2.4. making consequential amendments to the Education (Early Childhood Services) Regulations 2008 and the Education (Playgroups) Regulations 2008 to incorporate the Director role.
3. The Bill progresses proposals that were approved by Cabinet in April 2025 [CAB-25-MIN-0123 refers] and is expected to be introduced on 29 July 2025, with the intention that it is passed in December 2025.

Wording changes to improve workability of Bill

4. Two minor technical changes have been made to the wording agreed to by Cabinet [CAB-25-MIN-0123] to ensure the workability of the Bill. These changes have been made in the version of the Bill being consulted on but are subject to Ministers approval in this paper.
5. Agreement to these wording changes is being sought in accordance with Cabinet's authorisation that the Minister of Education and the Associate Minister of Education make additional joint decisions on policy and drafting issues that may arise [CAB-25-MIN-0123 refers].

Clarifying the weighting that the Director of Regulation must give to the purpose, objectives and principles

6. The Bill amends the effect of the guiding principles, by requiring the Director of Regulation to "have regard" to the guiding principles but "give effect to" the purpose and objectives. This responds to an unintentional inconsistency in the policy decisions whereby Cabinet simultaneously agreed to "establish guiding principles to **inform** regulatory decision making", but that the Director of Regulation must "**give effect** to the purpose, objectives and guiding principles".
7. Requiring the Director of Regulation to 'give effect' to the guiding principles has the potential to give the guiding principles unintended weighting in regulatory decision making, unduly restricting the flexibility of the Director of Regulation, and may increase the risk of legal challenge. This change will ensure the workability of the Bill.

Defining regulatory practice

8. The Bill amends the guiding principle of "regulatory best practice" with a more specific definition, defined as:

- 8.1. "good regulatory practice" – practices that are risk-based, proportionate, fair, transparent, and avoid the imposition of unnecessary costs on parents, caregivers, and service providers. This definition was developed based on the Cabinet endorsed "Government Expectations for Good Regulatory Practice" issued by the Treasury in April 2017.
9. This change was made to reduce the risk of subjective interpretation. It ensures the Director of Regulation has greater clarity and specificity around performing their functions and what good regulatory practice looks like. It also provides greater certainty for parents, service providers, and other interested parties affected by the exercise of regulatory decision-making powers.
10. We are seeking agreement from joint Ministers to these changes in accordance with the authorisation to make additional joint decisions on policy and drafting issues that arise [CAB-25-MIN-0123 refers].

Next steps

11. Following joint Ministers agreement to the two drafting changes discussed above, we seek Minister Seymour's agreement for joint agency and Ministerial consultation on the draft Cabinet paper and draft Bill to occur from 8 – 15 July 2025.
12. In parallel, we will send the draft Bill to the Ministry of Justice's Bill of Rights vetting team for their review. Throughout the next few weeks, Parliamentary Counsel Office (PCO) will continue making minor changes to the Bill and we will provide Minister Seymour's office with a final LEG Cabinet paper and Bill on 16 July, ahead of lodging on 17 July. However, note that subject to any further Bill revisions, PCO can lodge the Bill the week of the Cabinet Legislation Committee if necessary.
13. The expected timeline for the Bill progression is set out in Table 1.

Table 1: Key milestones and timeline for the Bill

Milestone	Timeline
Joint agency and Ministerial consultation	8 – 15 July 2025
Final LEG Cabinet paper to Minister Seymour's office for lodging at Cabinet Legislation Committee	16 July 2025
Lodge LEG paper for Cabinet Legislation Committee	17 July 2025
Cabinet Legislation Committee	24 July 2025
Cabinet approval to introduce the Bill	28 July 2025
Bill introduction	29 July 2025

Annexes

The following are annexed to this paper:

- Annex 1: Draft Cabinet paper – Approval to Introduce the Education and Training (Early Childhood Education Reform) Amendment Bill [attached separately]
- Annex 2: Draft Bill - Education and Training (Early Childhood Education Reform) Amendment Bill [attached separately]

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

The final Cabinet paper (Annex 1) 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 2) is available at <https://www.legislation.govt.nz/bill/government/2025/0191/latest/whole.html>

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Recommended Actions

The Ministry of Education recommends you:

- a. **note** that the draft Cabinet paper (Annex 1) and draft Bill (Annex 2) reflects Cabinet decisions on the policy proposals required for the proposed amendments in the Education and Training (Early Childhood Education Reform) Amendment Bill;

Noted

Minister of Education

Noted

Associate Minister of Education

- b. **agree** to clarify that the Director of Regulation must give effect to the purpose and objectives, and be informed by the guiding principles, to ensure the workability of the Education and Training (Early Childhood Education Reform) Amendment Bill;

Agree / Disagree

Minister of Education

Agree / Disagree

Associate Minister of Education

- c. **agree** to change regulatory best practice to good regulatory practice, and provide a more specific definition of this, to ensure the workability of the Education and Training (Early Childhood Education Reform) Amendment Bill;

Agree / Disagree

Minister of Education

Agree / Disagree

Associate Minister of Education

- d. **agree** to undertake Ministerial consultation on the draft LEG Cabinet paper and draft Bill from 8 – 15 July 2025;

Agree / Disagree

Associate Minister of Education

- e. **agree** that the Ministry of Education will conduct agency consultation from 8 – 15 July 2025;

Agree / Disagree

Associate Minister of Education

- f. **note** that we will send your office the final LEG paper with agency and Ministerial feedback incorporated by 16 July 2025

Noted

Associate Minister of Education

Proactive Release:

- g. **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

Associate Minister of Education

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Te Pou Kaupapahere

3/07/2025

E. Stanford

Hon Erica Stanford

Minister of Education

5, 7, 25

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Hon David Seymour

Associate Minister of Education

7, 7, 25