



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



**Tertiary Education
Commission**
Te Amorangi Mātauranga Matua

Report: Critical paths for VET legislation and implementation

To:	Hon Penny Simmonds, Minister for Vocational Education		
Date:	6/06/2025	Deadline:	10/06/2025
Security Level:	In-Confidence	Priority:	Medium
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Why are we sending this to you?

- To advise you of the critical paths for the VET work programme and legislation over the next seven months.

What action do we need, by when?

- We are seeking any comments you might have on the critical paths to meeting the 1 January 2026 deadline and the risks and mitigations we have identified.
- Please return the signed paper by 10 June 2025.

Key facts, issues and questions

- There is a short timeframe between June Cabinet decisions, the expected passing of the Education and Training (Vocational Education and Training System) Amendment Bill, and the 1 January 2026 date to establish 10 polytechnics and 8 Industry Skills Boards.
- The high number of activities that are contingent on Cabinet decisions and passing of the legislation means there is an elevated level of risk attached to this programme of work.
- Any further significant policy changes will require Cabinet approval and therefore likely derail current timelines.

Alignment with Government priorities

1. 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

2. Cabinet has now confirmed the majority of the policy settings for the redesign of the VET system and the Education and Training (Vocational Education and Training System) Amendment Bill (the 'Bill') giving effect to those decisions has been referred to the Education and Workforce Committee for their consideration.
3. The Bill sets out the dates for when events must have occurred by, if not before, such as the disestablishment of Te Pūkenga and Workforce Development Councils. It also sets out the date from when polytechnics and Industry Skills Boards can be established.
4. You have communicated to officials your expectations for the dates that these events should occur. This report sets out the critical path to achieving these timings, what implementation activity needs to occur, and to advise you of potential issues that could derail the current timeline, along with any mitigations that we have identified.

Key dates

5. You have set out your expectations that the following changes to the VET system are to occur on these dates:
 - 5.1. Disestablishing Workforce Development Councils by **31 December 2025** (though the final date is 31 December 2026 in the legislation for the purposes of consequential amendments).
 - 5.2. Establishing eight Industry Skills Boards by **1 January 2026**.
 - 5.3. Supporting the transfer of Te Pūkenga Work-based Learning divisions (including relevant programmes, functions, assets and staff) to Industry Skills Boards by **1 January 2026**.
 - 5.4. Establishing ten institutes of technology and polytechnics as standalone institutions on **1 January 2026** (subject to Cabinet agreement in June 2025).
 - 5.5. Establishing the remainder institutes of technology and polytechnics as part of the federation **before mid-2026**.
 - 5.6. Disestablishing Te Pūkenga by **31 December 2026**, if not before.
6. Below we outline the necessary activities that must be undertaken in order to meet these dates, and identify possible risks to achieving these, both prior to and post passing of the VET legislation. This is provided to you so that you have full visibility of the implementation work programme ahead on one place.

Prior to passing of the VET legislation

7. There is a certain amount of preparatory work (in terms of identifying candidates and planning) that the Ministry and the Tertiary Education Commission (the TEC) can complete prior to the passing of the Bill. This includes establishing Establishment Advisory Groups (EAGs) for each Polytechnic and each Industry Skills Board (ISB) following Cabinet decisions on 30 June 2025.

8. Each EAG will have 3 members that will be appointed and paid for by TEC. Members of the Polytechnic EAGs will be appointed with your endorsement. Members of the ISB EAGs will be endorsed by industry.
9. These groups are necessary to make establishment decisions on behalf of the future boards and councils of polytechnics. This work is essential to avoid interruptions in operation upon establishment. There is an expectation that most of these members will transition to the respective Polytechnic councils and ISBs following establishment on 1 January 2026. This will also ensure continuity of oversight through the process to 31 December 2025.

Implementation requirements for Polytechnics

10. Following your direction and Cabinet decisions on the number of Polytechnics to be established on 1 January 2026, up to 30 Polytechnic EAG members must be appointed and inducted by TEC in July 2025. Selection and vetting of candidates is currently underway. We will talk with you regarding names of candidates before confirming appointments.
11. The members will be appointed for a term of 6 months and will be expected to work 2-4 days per month, meeting approximately once or twice a month. Over this period Te Pūkenga and TEC will continue to drive forward and monitor the work to achieve financial viability. TEC and Te Pūkenga will both support the work of the EAGs to ready the Polytechnics to stand independently.

Approximately 30-40 members for up to 10 Polytechnic Establishment Advisory Groups must be appointed in July 2025.

12. For the remaining four to five Polytechnics that are not yet in a position to be established, financial experts will continue to work with Te Pūkenga to get them in a position for final decision in 2026.
13. Te Pūkenga will need to prepare a transition plan that includes detailed information about each Polytechnic that is going to be established on 1 January 2026. This will need to be reviewed and approved by the TEC Board, and NZQA where applicable.

Implementation requirements for Industry Skills Boards

14. Following your direction and Cabinet decisions on the number of ISBs to be established on 1 January 2026, this means up to 24 ISB EAG members must be appointed and inducted in July 2025. These candidates have been nominated by industry representatives and we have gathered a long list. We will commence selection and vetting processes imminently.
15. Each ISB EAG will be expected to work 2-4 days per month, meeting approximately once or twice a month.

24 members for 8 ISB Establishment Advisory Groups must be appointed in July 2025

16. The work to establish the ISBs has significant complexities. Each of the six Workforce Development Councils (WDCs) must develop a transition plan for staff and assets and identify which ISB the WDC staff and assets will transfer to, given there will not be a clear like-for-like. 9(2)(g)(i)

There will need to be significant engagement between ISB EAGs and WDCs, as the WDCs cannot complete transition plans until they understand the requirements of the

ISBs, which will be shaped by the EAGs once they are appointed and have started making decisions on organisational structures. The timeframes for appointment of ISB EAGs in July, decision-making, translating decisions back into WDC transition plans, approval of transition plans, then implementation of a large number of employment offers in early December are extremely tight and carry considerable risk.

18. Given the governance nature of the EAGs, and the limited time they have together, a lot of the establishment work will need to be supported by TEC. To enable this, TEC will create an 'Establishment Unit' that will support and guide the EAG decision-making process, provide secretariat support to the EAGs, undertake any operational transitional activity (for example writing letters of offer for staff on behalf of the new organisations), and provide other types of necessary support, such as legal, financial modelling and analysis, support consultation on Orders in Councils and arrange any travel and all meetings.
19. Because the Work-based Learning divisions are also transferring to ISBs, Te Pūkenga will need to develop a plan that includes detailed information about each of the divisions and how they will transition to the relevant ISB (noting that there is not an exact like-for-like for mapping purposes). While Work-based learning divisions will effectively lift and shift into ISBs, they won't be entirely standalone within the ISB – they will still require specific attention and leadership from the Chief Executive and strategic guidance from the Board.
20. For those industries that are seeking an early transition to private ownership for their work-based learning provision, the EAGs will need to be considering these aspirations at the same time as undertaking their establishment work. The Work-based Learning division transition plan will then need to be reviewed and approved by the TEC Board, and NZQA where applicable.

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Risks

36. The high number of activities that are contingent on Cabinet decisions and passing of the legislation means there is an elevated level of risk attached to this overall programme of work. From a programme governance perspective, we have identified a number of risks (with mitigations where possible) that we bring to your attention under the no surprises convention.

Table 2: Implementation risks and possible mitigations

9(2)(f)(iv)

Proactively Released

Next Steps

37. Note the contents of this paper and discuss any feedback or comments with officials.

Proactively Released

Recommended Actions

The Ministry of Education recommends you:

- a. **note** that there is a significant programme of work required to implement the proposed VET changes by 1 January 2026

Noted

- b. **note** a high number of activities that are contingent on Cabinet decisions and passing of the legislation means a level of risk has been identified.

Noted

- c. **discuss** any feedback you might have on the critical paths and the risks and mitigations identified.

Agree Disagree

Proactive Release:

- d. **agree** that the Ministry of Education release this paper once the provisions in the Education and Training (Vocational Education and Training System) Amendment Bill have been fully implemented and with any information needing to be withheld done so in line with the provisions of the Official Information Act 1982.

Agree Disagree



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Te Pou Kaupapahere**

6/6/2025



Hon Penny Simmonds

Minister for Vocational Education

8/6/25



Gillian Dudgeon

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Tertiary Education Commission

6/6/2025