



## Report: Vocational education and training system redesign – draft report back on learner impacts

To:	Hon Louise Upston, Minister for Social Development and Employment Hon Penny Simmonds, Minister for Vocational Education		
Cc:	Hon Erica Stanford, Minister of Education		
Date:	22/05/2025	Deadline:	26/05/2025
Security Level:	In-Confidence	Priority:	Medium
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### Why are we sending this to you?

- You are receiving this because you have agreed to a joint report back to Cabinet in June 2025 with interim analysis on how the proposed changes to the vocational education and training (VET) system are expected to impact learners [SOU-24-MIN-0174].

### What action do we need, by when?

- We are seeking your feedback on the draft report back by 26 May 2025.
- Once you have approved the report back, it will be annexed to the draft of the June Cabinet paper, due to go out for agency and Ministerial consultation on 29 May 2025.

### Key facts, issues and questions

- Current analysis indicates that learners 9(2)(b)(ii) are most at risk of negative impacts as a result of the VET reforms due to the extent of cost-cutting measures required to reach viability.
- Officials have developed a plan to monitor impacts and will provide further advice on regions and/or learner cohorts in need of additional support if required.
- We propose that the Minister for Vocational Education and Minister for Social Development and Employment report back to Cabinet in late 2026 with an update on learner impacts and proposals for long-term support of strategically important provision.

## Alignment with Government priorities

- 1 This report supports the Government's commitment to disestablish Te Pūkenga and replace it with a more agile, regionally responsive network of vocational educational institutions.

## Background

- 2 On 18 December 2024, the Cabinet Social Outcomes Committee (SOU)<sup>1</sup> invited the Minister for Tertiary Education and Skills<sup>2</sup> 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 (including the Minister of Education's planned reforms to the vocational elements of NCEA<sup>3</sup>).
- 3 In April 2025, you agreed that the report back would focus on five main questions [MSD REP/25/3/224 refers]:
  - 3.1 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?
  - 3.2 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?
  - 3.3 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)?
  - 3.4 How will the VET changes interact with changes currently being considered for NCEA?
  - 3.5 How will the VET changes interact with the work being undertaken to achieve the Jobseeker reduction target?

## Officials have drafted a report that responds to the five key questions

- 4 We have drafted a report back for your review (Annex 1). This report back identifies the potential impacts of the VET redesign on learners – the actual impacts will not be understood until the structural changes to the system are operationalised.
- 5 While there will potentially be benefits for learners from the redesign, the report back identifies learner cohorts and regions we consider to be most at risk. We have taken this approach to help

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<sup>1</sup> Acting under authority from Cabinet.

<sup>2</sup> Now the Minister for Vocational Education.

<sup>3</sup> National Certificate of Educational Achievement.

build an understanding of where risks, if realised, may result in flow on effects to inter-related systems, such as VET in schools or the benefit system, and associated interventions.

- 6 Where face-to-face polytechnic provision is reduced due to cost-cutting, some learners may not be able to access their provision of choice locally and may have to relocate or study online. Others may not participate at all. The report identifies learners with low prior achievement, some disabled learners, and learners with barriers to relocating or studying online, as being most at risk of negative impacts.
- 7 Some forms of learning, such as foundational education, may not be suitable for online delivery. Other programmes, such as Trades Academies, are heavily reliant on polytechnics. Changes to provision in these areas may have a more significant impact on learners and learning outcomes.
- 8 Risks are compounded if at risk learners are located in regions where the impact of the changes are likely to be most acute 9(2)(b)(ii) [REDACTED].
- 9 The \$20 million fund for strategically important provision is intended to help polytechnics retain core provision during the transition. This includes industry priority provision, regionally critical delivery, foundation education, and secondary-tertiary programmes. The Ministry of Education will develop options for how strategically important provision can be supported in the longer-term.
- 10 The report back outlines a plan for monitoring key regions and cohorts to manage risks. A follow up report in the second half of 2026 will provide more information on learner impacts once these are better understood. This will be an interim view, as the transition is likely to take up to two-years to complete.
- 11 Ongoing monitoring of the VET redesign, alongside the Tertiary Education Commission's BAU monitoring of the tertiary system, will enable us to identify risks and address issues as they arise.

## Risks

- 12 Key risks associated with the VET redesign are outlined in Annex 1. These risks are dependent on choices still to be made by Cabinet (including those being considered in June), the cost cutting measures being undertaken by the divisions of Te Pūkenga, and those to be undertaken in future by polytechnics.
- 13 This advice considers potential impacts only. The actual impacts will not be fully understood until the structural changes are operationalised, learners are engaging with the new system, and private training establishments, Wānanga or universities respond to new market conditions.

## Next Steps

- 14 The draft report back attached as Annex 1 will be updated based on your feedback and shared alongside the draft Cabinet paper on 29 May 2025 as part of agency and Ministerial consultation.

## Recommended Actions

The Ministry of Education and Ministry for Social Development recommend you:

- a. **note** that the VET redesign is expected to have the most significant impacts on learners with low prior achievement, some disabled learners, and learners with barriers to relocating or studying online. Impacts will be compounded if these learners are located in regions likely to experience the most significant reduction in provision 9(2)(b)(ii) [REDACTED].

b. **note** that officials will monitor the impacts of the redesign closely, and will provide an update on learner impacts and options to support strategically important provision in the regions in the second half of 2026

**Noted**

c. **provide feedback** on the draft report back, attached as Annex 1

**Noted**

**Agree** / Disagree

d. **agree** that the Ministry of Education release this paper once Cabinet has taken decisions on the future of the polytechnic network, 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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22/05/2025



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22/05/2025



Hon Penny Simmonds  
**Minister for Vocational Education**

22/05/25

Hon Louise Upston  
**Minister for Social Development and Employment**

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## Annexes

The following are annexed to this paper:

**Annex 1:** Draft report back on implications of the VET redesign for learners.

The report back on implications of the VET redesign for learners can be found as Annex 3 at the below weblink:  
<https://web-assets.education.govt.nz/s3fs-public/2026-05/Proposed%20establishments%20of%20institutes%20of%20technology%20and%20polytechnics%20proposal.pdf?VersionId=6c4Zht9guKZzBfn2N3vDGwd.5AG155wT>

Proactively Released