



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

Report: VET polytechnic work programme for 2026

To:	Hon Penny Simmonds, Minister for Vocational Education		
Date:	4/12/2025	Deadline:	12/12/2025
Security Level:	In-Confidence	Priority:	Medium
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Why are we sending this to you?

- This report sets out the potential pathways and timeline for progressing the work to establish or transfer the remaining polytechnic divisions of the New Zealand Institute of Skills and Technology (NZIST) in 2026.
- This report needs to be read alongside the report from the Tertiary Education Commission (TEC) *Update on the four former polytechnic divisions remaining with NZIST* [AM-25-01566] that you will also receive today.

What action do we need, by when?

- We seek your agreement to the approach to the policy work and the proposed next steps.
- Please return the signed paper by 12 December 2025 so that we can begin the planning for 2026.

Alignment with Government priorities

1. This report supports the progress of secondary legislation to implement the redesign of the vocational education and training (VET) system, which is one of your priorities.

Background

2. In June 2025, Cabinet agreed to establish the first ten polytechnics by Order in Council this year [SOU-25-MIN-0076 refers], and that Western Institute of Technology at Taranaki (WITT), Whitireia/WelTec (combined), NorthTec, and Tai Poutini Polytechnic (TPP) would remain within NZIST while further financial improvement work was undertaken.
3. The June 2025 Cabinet paper discussed considerations for establishing the remaining four polytechnics with a potential target date of July 2026, so long as a model can be developed to provide a pathway to viability for them. The paper also indicated the remaining four would be considered for inclusion in the federation of polytechnics (to be set up in the second half of 2026) to support their ongoing viability. Cabinet agreed to receive a report back with options on the future of these polytechnics in the first half of 2026.
4. This paper sets out the potential pathways to establishment (or transfer) for each of the remaining polytechnics and provides a possible timeline to progress this work in 2026 (attached as Annex 1). The timeline also sets out the high-level implementation steps for the new entities to be fully operational (contingent on Cabinet decisions occurring in line with the process set out in this paper). It does not include an implementation timeline for NorthTec, as this will be contingent on how decisions for NorthTec progress.
5. This paper seeks agreement to the approach to the policy work and the proposed next steps. The next steps include providing more detailed advice to you in January 2026 on each of the polytechnic pathways set out in this paper (METIS 1354727).

Pathways to establishment or transfer to consider

6. You have indicated your preference to have Cabinet decisions on the remaining four NZIST divisions completed prior to the election period next year, and that you expect the new polytechnics could be operational by 1 January 2027. The polytechnic divisions of NZIST have all undertaken financial improvement work this year, however progress towards viability has been varied. The TEC considers that WITT, and a combined WelTec/Whitireia polytechnic 9(2)(b)(ii), will have a pathway to viability and we can begin the Order in Council establishment process for them in the first half of 2026, beginning with seeking policy decisions at Cabinet in March.
7. You have indicated you would like NorthTec to be supported on an ongoing basis to enable it to be established as a stand-alone polytechnic, and have suggested a reduced TPP division could be transferred to the Open Polytechnic to maintain provision on the West Coast. Both of these options require additional decisions from Cabinet to secure a pathway forward. Decisions regarding TPP can be included in the March Cabinet paper. We suggest seeking in-principle decisions regarding NorthTec in March, with a view to establishing it as a stand-alone entity, and to return to Cabinet in June for the substantive decisions - this process is set out in more detail in this paper and in the attached timeline.

Western Institute of Technology at Taranaki

8. The current financial position of WITT is set out in more detail in the TEC's paper [AM-25-01566 refers]. The TEC's current assessment is that WITT can be included in the Cabinet decisions to be taken in March 2026, and the Order in Council process as set out in the attached timeline.
9. We understand that as a result of implementing their financial improvement initiatives, and the support of funding for strategically important provision, WITT is expected to report a surplus in 2026 but maintaining that position will likely remain difficult. Therefore, as indicated to Cabinet in June 2025, once established by Order in Council, WITT can be considered for inclusion in the federation, to support viability going forward.

WelTec/Whitireia

10. As set out in more detail in the TEC's paper, WelTec/Whitireia's underlying financial position is now likely profitable, 9(2)(b)(ii) [REDACTED]
[REDACTED]
WelTec/Whitireia could be included in the Cabinet decisions in March 2026, and the Order in Council process to follow, to be established as a standalone entity from 1 January 2027.
11. 9(2)(b)(ii) [REDACTED]
[REDACTED]
[REDACTED] We will provide further detail on this option in the January 2026 advice.

NorthTec

12. The current financial position of NorthTec is set out in more detail in the TEC's paper, which states that despite financial improvement plans and activities, NorthTec will not be viable as a standalone entity without ongoing support from the Government. The potential move to the tertiary hub model proposed by the Whangarei District Council is unlikely to make NorthTec financially viable and is an untested proposal that comes with considerable risk. This proposal would also require Cabinet agreement to funding to support the move.
13. NorthTec has already been allocated additional funding for strategically important provision to support operations through 2026 and 2027, however support beyond that is uncertain. 9(2)(f)(iv) [REDACTED]
[REDACTED]. Further confirmed ongoing funding for NorthTec will be needed to ensure financial viability as a stand-alone entity. We will discuss possible avenues of funding with Treasury to support the advice we provide to you in January.
14. In terms of the pathway to establishment, more time is required to work through the options for NorthTec than for the other three. At this stage we consider a potential timeframe for NorthTec would be to seek initial in-principle Cabinet decisions in March, and work towards substantive decisions in June 2026. This would mean NorthTec cannot be included in the same Order in Council process as WITT and WelTec/Whitireia.

15. Subject to addressing the need for ongoing financial sustainability, and subject to Cabinet decision, a separate Order in Council process for NorthTec could progress in the second half of 2026, potentially from July to September (see attached timeline). As our assessment of options for NorthTec is still in progress, we may need to revise this timeframe in our advice to you in January 2026.
16. We do not advise aligning all Orders in Council with NorthTec's progression, due to the uncertainty involved. Delaying the establishment of WITT and WelTec/Whitireia would impact critical implementation processes, putting their implementation timeline at risk.

Tai Poutini

17. The TEC's paper outlines the current position for TPP in detail. The key issue is the challenge of delivering to a small population over a large geographic area. A polytechnic on the West Coast will not be financially viable on a standalone basis.
18. We understand you have met with a number of TPP community stakeholders and have suggested a pathway forward could be for a reduced TPP polytechnic division to transfer from NZIST to the Open Polytechnic, to manage provision on the West Coast and operate a campus there.
19. It would be a new function for the Open Polytechnic to operate a physical campus, however, the Open Polytechnic is in a strong financial position and has the national level view and capability to develop new programmes and deliver existing programmes.
20. As the Open Polytechnic is a newly independent institution established under the Education and Training Act, with institutional autonomy under section 267 of the Act, this approach would require the agreement of their council, noting that each council member has a statutory duty to act in the best interests of the polytechnic as a whole. Seeking their agreement will require a negotiation process led by the TEC, which will need to progress rapidly between now and January 2026 to meet the proposed timelines set out in this paper. The TEC has already had positive interactions with the Open Polytechnic council on this issue.
21. Before Cabinet can consider providing Crown investment to support the move to the Open Polytechnic, the development of a business case would be required. This will be led by the TEC, working with the council and TPP/NZIST, to consider how such an agreement could function in practice. The TEC has engaged a consultancy to develop a business case by January 2026 for you to consider, and to inform the March 2026 Cabinet paper. The March paper will seek approval from Cabinet for a funding proposal that includes the costs to NZIST for the transfer, and for the Open Polytechnic to operate TPP, ensuring sustainability beyond 2027.
22. Subject to Cabinet's agreement, NZIST would need to develop a transition plan with the Open Polytechnic, and submit it for approval by the TEC. The plan would need to include 9(2)(b)(ii) the transfer of remaining staff, students and assets, 9(2)(b) , and any other liabilities from the TPP polytechnic division 9(2)(b)(ii) Potential timing for the transfer process is set out in the attached timeline.

2026 timeline and the pre-election period

23. The attached timeline in Annex 1 sets out the necessary steps to progress the policy work and the Orders in Council to establish the WITT and WelTec/Whitireia polytechnics in the first half of next year, including the necessary Cabinet decisions and consultation to achieve this. It also sets out the pathway for TPP decisions and progression of the potential transfer to the Open Polytechnic. An indicative implementation timeline for the second half of 2026 is presented on the second page. Potential dates for the substantive Cabinet decisions for NorthTec are included in June. As mentioned above, an implementation timeline for NorthTec is not included as the decision-making timeline for NorthTec is less certain.
24. We recommend planning for early consultation with the sector for WITT and WelTec/Whitireia in February to ensure all aspects of establishment have been considered, and potential risks have been surfaced. This will reassure you, ahead of Cabinet, that you have what is required to make a fully informed assessment of each of the new polytechnics, including whether they meet the characteristics of polytechnics set out in section 314 of the Education and Training Act.
25. As part of that early consultation, we also recommend consulting with key regional stakeholders on the West Coast regarding the TPP option to support the advice and recommendations to Cabinet in March.
26. The attached timeline is dependent on the resolution of the key issues set out above including: 9(2)(b)(ii) [REDACTED], agreement from the Open Polytechnic and a successful business case for the TPP option, and developing viable funding options for NorthTec.
27. We will engage with the Treasury shortly on the proposed process and timeline. They may advise that the Orders for WITT and WelTec/Whitireia cannot go to LEG for approval during the Budget moratorium period, which will delay the LEG decision until June 2026.
28. The pre-election period runs for three months prior to the election date, however the pre-election period will not impact on Cabinet's ability to make decisions of this nature. Cabinet meeting agendas however, may be somewhat oversubscribed during that period, as Ministers aim to rapidly complete Government work prior to the election. All going well, only the NorthTec LEG decisions will need to progress in the pre-election period.
29. The following table sets out the key decision points. More detail is included in the timeline:

Month	Decision point
Late January 2026	Advice to Minister seeking agreement to proposed approach for each polytechnic and Cabinet date in March
Late March 2026	Cabinet policy decision at SOU re: the approach to progress each polytechnic
Late May 2026	Cabinet decision at LEG re: WITT and WelTec/Whitireia Orders in Council
June 2026	Substantive Cabinet decisions at SOU re: NorthTec, including funding options
August 2026	Cabinet decisions at LEG re: NorthTec Order in Council

30. The implementation timeline can begin immediately once there is agreement on the approach for each institution to ensure the polytechnics are ready to be operational from 1 January 2027. The implementation period for the first ten polytechnics was five months (after confirmed decisions), for institutions with significantly fewer challenges than those

being set up next year. We consider additional time spent on implementation will result in more informed and prepared councils, and a smoother transition for learners and staff.

31. The implementation can continue during the pre-election period, however Ministerial appointments to the polytechnic councils may need to occur prior to the pre-election period, from both a timing and a process perspective.¹

Risks

32. Key risks associated with the polytechnics' establishment/transfer process are set out in the relevant sections above and include 9(2)(b)(ii) [REDACTED]; the tertiary hub option for NorthTec; funding options for NorthTec and; ongoing funding from 2027 to enable the Open Polytechnic to manage delivery on the West Coast. An alternative timeline may need to be developed in the new year if any of these cannot be resolved. We will continue to work closely with the TEC to develop further advice on these issues for you to consider in January.
33. As noted above, the option of transferring TPP to the Open Polytechnic will require the agreement of their council. If agreement cannot be reached, different funding options may need to be considered to address any reasonable financial concerns they may have. Alternatively, previously discounted options for provision on the West Coast may need to be reconsidered, or the transfer of TPP to a different institution could be explored. At this stage however, initial discussions with the Open Polytechnic have been positive.
34. 9(2)(f)(iv) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
35. Once decisions have been made by Cabinet, the tight timeframe to progress the Orders in Council (especially for NorthTec), before the election presents a risk, but at this stage one that is manageable. We will discuss the Budget moratorium factor with Treasury and how it may impact on the timeline for WITT and WelTec/Whitireia.
36. Additionally, there is some risk that could impact the timeline, associated with NZIST having to develop transition plans and implement transfers next year from a much-reduced organisation with significantly reduced capacity and capability. The TEC can provide more detail on this, and any other risks associated with the implementation timeline.

Next Steps

37. Once we receive this paper signed by you, we will begin work on the more detailed advice to be provided to you in January 2026, and planning for the rest of 2026.

¹ See cabinet Circular CO (23) 1, paragraphs 10-15 under 'Appointments in the pre-election period'.

Recommended Actions

The Ministry of Education recommends you:

- a. **note** we expect the Western Institute of Technology Taranaki will be ready to be included in Cabinet decisions in March, and the Order in Council establishment process to follow **Noted**
- b. 9(2)(b)(ii) **Noted**
- c. **note** the pathway to establishment for NorthTec remains uncertain and that NorthTec will need to progress on a different timeline, seeking initial in-principle Cabinet decisions in March, and substantive decisions later, likely in June 2026. We will continue to work closely with the TEC to provide further advice to you regarding the timeline for NorthTec **Noted**
- d. **note** that progressing the option of Tai Poutini polytechnic division being transferred to the Open Polytechnic will require the Open Polytechnic's agreement, and a business case to be developed. It will also require Cabinet agreement a long-term funding approach. We will provide further advice on progressing this option in the January briefing **Noted**
- e. **agree** to progress the work programme for 2026 as set out in this paper, with the intention to seek substantive policy decisions on WITT, WelTec/Whitireia and Tai Poutini, and in-principle decisions on NorthTec, at the Cabinet Social Outcomes Committee in March 2026, and pending the outcome of those decisions, to plan along the lines of the Order in Council process set out in the timeline at Annex 1* **Agree** **Disagree**
- f. **note** this timeline has significant risks and is dependent on the resolution of key issues. Alternative timeline options may need to be developed for each of the polytechnic divisions in the new year. **Noted**

Proactive Release:

- g. **Agree** the Ministry of Education release this paper after Cabinet has taken policy decisions on the four remaining polytechnic divisions within NZIST, with any information needing to be withheld done so in line with the provisions of the Official Information Act 1982. **Agree** **Disagree**


Katrina Sutich

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Te Pou Kaupapahere

4/12/2025


Hon Penny Simmonds

Minister for Vocational Education

7/12/25

* The final version of this timeline can be found annexed to the cabinet paper **Proposed establishment or transfer of the remaining four polytechnics proposal** at the below weblink:

<https://www.education.govt.nz/our-work/information-releases/issue-specific-information-releases/vocational-education-and-training-vet-redesign>