



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

## Report: Further detail to support decisions on the remaining polytechnic divisions

|                 |                                                       |           |           |
|-----------------|-------------------------------------------------------|-----------|-----------|
| To:             | Hon Penny Simmonds, Minister for Vocational Education |           |           |
| Date:           | 29/01/2026                                            | Deadline: | 3/02/2026 |
| Security Level: | In-Confidence                                         | Priority: | Medium    |
| From:           | Katrina Sutich, General Manager, Tertiary Policy      | Phone:    | 9(2)(a)   |
| Drafter:        | 9(2)(a)                                               | METIS No: | 1354727   |

### Why are we sending this to you?

- This report follows advice provided to you in December 2025 on the potential pathways to establishment or transfer for the remaining four polytechnic divisions within the New Zealand Institute of Skills and Technology (NZIST). It provides a brief update on each of the polytechnic divisions and further detail to progress the proposals to Cabinet in March 2026.
- It seeks your agreement to the proposed Cabinet Social Outcomes Committee (SOU) meeting date in March 2026, your decision regarding early consultation with the sector in February, 9(2)(b)(ii)

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

- Please return the signed paper by 3 February 2026 so that we can understand your preference regarding consultation in February and can progress with the next steps required prior to Cabinet in March 2026.
- The TEC will provide further advice on the polytechnics next week. Once you have considered that advice, we will need to discuss with you the approach to seeking Cabinet decisions on the NorthTec hub move.

### Key facts, issues and questions

- A key consideration in this paper is whether to undertake early consultation with the polytechnic sector.
- This paper is to be read alongside another paper provided to you today, *Options for ongoing funding for strategically important VET provision* [METIS 1354296 refers].

## Alignment with Government priorities

1. This report supports the progress of secondary legislation and further implementation activities for the ongoing roll-out of the redesigned 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 [SOU-25-MIN-0076 refers], and that Western Institute of Technology at Taranaki (WITT), Whitireia/WelTec, NorthTec, and Tai Poutini Polytechnic (TPP) would remain within NZIST while further financial improvement work was undertaken. Cabinet agreed to receive a report back with options on the future of these polytechnics in the first half of 2026.
3. On 4 December 2025 [METIS 1354420 refers] we provided advice setting out the potential pathways to establishment/transfer for each of the remaining polytechnics and a potential timeline to progress this work in 2026. The timeline also set out the key implementation steps for the new entities to be fully operational (contingent on Cabinet decisions).
4. After discussion with you on 9 December 2025, your preferred pathways for each of the polytechnics was confirmed in an Information Update and updated timeline, on 12 December 2025 [METIS 1354771 refers]. These include seeking Cabinet agreement to establish WITT, WelTec/Whitireia and NorthTec by Order in Council by June 2026, and for the transfer of the TPP campus and programme provision to the Open Polytechnic via a transition plan (pending a final business case and the Open Polytechnic's agreement). These proposals will also require Cabinet's agreement to ongoing additional funding for NorthTec and TPP provision.
5. In parallel with the work to establish/transfer the remaining polytechnics, we are working closely with the TEC to operationalise the federation of polytechnics and the Federation Committee. The intention is that the implementation work to prepare each of the four remaining polytechnics to be operational from 1 January 2027 will occur in the second half of this year. This will include any relevant designation of federation polytechnics.
6. This paper provides further detail on the work required to progress the establishment/transfer proposals to Cabinet in March 2026 and seeks decisions from you to progress the next steps. This paper should be read alongside the advice provided to you today on the wider long-term options for funding for strategically important provision (SIP), *Options for ongoing funding for strategically important VET provision* [METIS 1354296 refers].
7. Further updated advice from the TEC will follow this paper next week on each of the four remaining polytechnic divisions.

## Timeline for 2026

### *Social Outcomes Committee in March*

8. The Cabinet office have provided indicative meeting dates for the Cabinet Committees for 2026. The Cabinet Social Outcomes Committee (SOU) will meet on 25 March 2026, which is the date we indicated on the timeline in December. We seek your agreement to this date. Once confirmed we will work with your office to ensure the polytechnics proposal paper is on the agenda for that day.

### *Decisions prior to the election*

9. In December you confirmed that you would like the complete package of options regarding NorthTec to be provided to Cabinet in March 2026, including the capital investment in the potential move to the Whangarei tertiary hub. In discussion with you, it was agreed this capital investment could be presented as an in-principle decision subject to the development of a detailed business case later in 2026 to refine costs and to support the case for the move. On the updated timeline provided on 12 December 2025, we tentatively proposed seeking a final Cabinet decision on the NorthTec hub move in November 2026.
10. Now that the election date has been confirmed as 7 November 2026, the timing for presenting this proposal to Cabinet will need to be reconsidered. Cabinet meetings from 24 September will be reduced to Cabinet Business Committee (CBC) meetings, Cabinet and Executive Council meetings. Whilst CBC can consider the NorthTec tertiary hub funding decision, Cabinet meeting agendas will be very full in the period from 24 September up until the election. We understand the TEC will provide a further update on the hub move process to you next week, therefore we will discuss the approach to seeking decisions at Cabinet with you after that.

## **Update on the remaining polytechnic divisions**

### *Western Institute of Technology at Taranaki (WITT)*

11. WITT remains in the same position as advised in December 2025 [METIS 1354420 refers] and are ready to be included in the March Cabinet decisions and the Order in Council establishment process to follow.

### *WelTec/Whitireia*

12. 9(2)(b)(ii) [Redacted]  
[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]
13. 9(2)(b)(ii) [Redacted]  
[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]
14. 9(2)(b)(ii) [Redacted]  
[Redacted]  
[Redacted]  
[Redacted]
- 14.1. 9(2)(b)(ii) [Redacted]  
[Redacted]  
[Redacted]

14.2. 9(2)(b)(ii)

15. 9(2)(b)(ii)

#### *NorthTec*

16. As discussed in December, the establishment of NorthTec can proceed regardless of decisions regarding the hub move, and delivery can continue from their current sites. As you are aware ongoing funding for NorthTec will be required regardless of the hub move. Further details on funding are set out in the *Funding* section below.

#### *Tai Poutini*

17. On 30 January 2026, we understand you will receive the final Volte consultancy report on the TPP business case for transfer to the Open Polytechnic, which will include feedback from local stakeholders, and the Open Polytechnic.
18. In terms of ongoing Crown funding identified in the draft report, Volte have estimated an additional \$3 million in up-front support from the Crown would be required for the initial transformation and working capital requirements to transfer TPP to the Open Polytechnic. This will need to come from the VET contingency fund (discussed further in the *Funding* section below).
19. Volte has also identified that from 2028, TPP functions will require ongoing funding of \$500k to ensure the campus remains viable and does not become a financial burden on the Open Polytechnic. The TEC have suggested allocating \$1 million in ongoing funding to ensure flexibility for the Open Polytechnic as forecast estimates may differ from actual future needs depending on enrolments and any unforeseen factors. The Ministry is supportive of this assessment as it will provide sufficient fall-back funding to ensure the TPP campus remains viable.
20. In terms of confirming agreement from the Open Polytechnic to the transfer of TPP, the TEC have had regular engagement with the new Chair of Open Polytechnic's council on the potential process for transferring TPP, as have Volte consultancy. TEC have advised, the Open Polytechnic is broadly supportive of the transfer option and are comfortable that, with ongoing support from the Crown, they will be able to maintain provision on the West Coast.
21. Once the Volte report is finalised, and the Open Polytechnic council have considered it, confirmation of their agreement to the TPP proposal, via a resolution of their council, will provide assurance to Cabinet they are fully informed of the benefits and risks, and have formally agreed to the proposal. A letter from the Open Polytechnic council, reporting or attaching their resolution and addressed to yourself or the TEC will be appropriate to confirm this process.

## **Funding**

22. 9(2)(f)(iv)

9(2)(f)(iv)

23. Due to their financial improvement initiatives, and with the support of transitional SIP funding, WITT will be ready to be approved for establishment this year and to be operational from 1 January 2027. 9(2)(b)(ii)

*Ongoing use of the SIP fund for NorthTec and TPP sustainability*

24. NorthTec and TPP have \$3.65 million, and \$3.10 million respectively allocated to them for 2026 from the transitional funding for SIP (and a yet to be determined, but likely similar amount for 2027), but require further ongoing funding from 2028 if they are to be sustainable. To provide confidence to Cabinet that NorthTec will be sustainable after establishment we recommend \$2 million per annum in ongoing funding. As discussed above in paragraph 19, for TPP provision to be managed by the Open Polytechnic, we recommend \$1 million per annum in ongoing funding.
25. The funding for SIP is one of the few sources of uncommitted ongoing funding available in a fiscally constrained environment [METIS 1354296 refers]. Therefore, we propose that the additional ongoing funding for NorthTec and TPP from 2028 should come from the SIP fund, and we can include recommendations to Cabinet seeking agreement to the use of the fund for this purpose in March 2026.

*Capital investment to support NorthTec's move to the tertiary hub*

26. In our engagement with Treasury, they have noted the NorthTec hub move is outside the original scope of the tagged contingency, and have advised the business case should be taken to Cabinet ahead of any funding decisions. They have also advised it meets the criteria of new Crown funding and may be considered high risk requiring a risk profile assessment as a first step. We will discuss the approach to seeking decisions on the hub move with you, once the TEC have provided you with their update next week, and will provide further advice as necessary.

*Contingency funding for TPP*

27. Based on the recapitalisation of the VET network advice provided in November 2025 [METIS 1354324 refers], you agreed jointly with the Minister of Finance that contingency funding would provide for \$1.8 million in base recapitalisation for TPP (the equivalent of three months of operating expenditure). As mentioned above, Volte have identified that \$3 million in up-front support from the Crown would be required for the initial transformation and working capital requirements to transfer TPP. Assuming the \$1.8 million can be directed to this purpose, a further \$1.2 million may be needed from the contingency.
28. There is funding available in the contingency to cover this, pending Cabinet agreement. We will work with the TEC to provide further advice on this additional requirement once the Volte report has been finalised.

## **Consultation prior to the March 2026 Cabinet paper**

29. In December 2025 we recommended planning for early consultation with the sector in February for the polytechnic establishment process to ensure all aspects of establishment can be considered, and potential risks surfaced. This was to ensure you have what is required to make a fully informed assessment of each of the new polytechnics, ahead of



Cabinet, including whether they meet the characteristics of polytechnics set out in the Act. As part of that early consultation, we also recommended consulting with key regional stakeholders on the West Coast regarding the TPP option to support recommendations to Cabinet.

30. Sufficient engagement is important, to give you the assurance that each polytechnic can meet the characteristics in section 314 of the Act, including that each polytechnic can offer a wide diversity of programmes, can meet local needs, undertake research and improve outcomes for Māori. Consultation with the sector in February may support your assessment of this, and could support the advice we provide to Cabinet in March including ensuring that potential risks have been considered.
31. Given the short timeframes available however, and the consultation that has already occurred over the course of the reforms with relevant stakeholders of WITT, WelTec/Whitireia and NorthTec, early consultation in February may provide little additional information to support your decisions. Furthermore, it would come at a time the sector is currently managing a lot of change with the newly established entities having just become operational on 1 January 2026.
32. Additionally, we understand from the TEC that the engagement Volte consultancy has already undertaken to finalise their report, has included engagement with TPP stakeholders. Together with the ongoing discussions TEC has had with the Open Polytechnic, and the discussions you had with TPP stakeholders in November 2025, further consultation with TPP stakeholders may be unnecessary, unless you would like to consult more widely on the TPP proposal.
33. We consider the more crucial process is the formal statutory consultation in April, after Cabinet policy decisions have been taken, in case anything changes for the polytechnics between now and when we begin the Order in Council process.
34. If you consider early consultation in February will still be useful to support your assessment of the polytechnics, and the advice to Cabinet on the TPP proposal, we will work with the TEC to undertake this, however at this stage we consider it unnecessary.

## Risks

35. As discussed in the funding options paper [METIS 1354296 refers], the key risk to progressing these proposals will be any concerns the Minister of Finance, or Cabinet colleagues have regarding the utilisation of the funding for SIP for the purpose of sustaining NorthTec and TPP provision (via the Open Polytechnic) on an ongoing basis. If this use of funding is not agreed, you will not be able to demonstrate the sustainability of these options and are unlikely to secure agreement to proceed with the establishment or the transfer.
36. There is also a risk that Cabinet will not support the capital investment in the tertiary hub move for NorthTec, given TEC have advised it may make little or no difference to the long-term viability of NorthTec as a stand-alone polytechnic.
37. 9(2)(b)(ii) [REDACTED]  
[REDACTED]  
[REDACTED]
38. Mitigation of these risks may be supported through early engagement with Ministerial colleagues and providing any additional information they may require ahead of SOU, as

well as engagement with the Minister of Finance. The Treasury may provide additional advice to her as well to support her understanding of the proposals and the risks.

## Next Steps

39. We have begun the process to develop a Regulatory Impact Statement to accompany the advice to Cabinet in March 2026.
40. Once we receive this paper signed by you, we will also begin the Cabinet paper development process.
41. An updated timeline for the polytechnic establishment/transfer process is attached as Annex 1\*, with some amendments made by the TEC to the implementation pathway.

## Recommended Actions

The Ministry of Education recommends you:

- a. **agree** to seek Cabinet policy decisions for the remaining polytechnic divisions at the Cabinet Social Outcomes Committee meeting on the proposed date of 25 March 2026  

**Agree** Disagree
- b. **note** that due to the election date being confirmed as 7 November 2026, the timing for presenting the NorthTec tertiary hub move decision to Cabinet will have to be reconsidered, and that further advice on the approach to decisions will be provided after the TEC provide their update to you next week  

**Noted**
- c. 9(2)(b)(ii)  

**Agree** Disagree
- d. **note** we will work with the TEC to ensure formal confirmation of the Open Polytechnic's agreement to the TPP transfer can be received in time to support the proposals to Cabinet in March 2026  

**Noted**
- e. **note** the estimated funding identified in the draft Volte report for the Tai Poutini Polytechnic (TPP) transfer to the Open Polytechnic, including the further \$1.2 million that may be needed from the contingency  

**Noted**
- f. **note** the ongoing funding (\$3 million in total) for both TPP and NorthTec will need to be drawn from the funding reprioritised to support SIP on an ongoing basis and we have included a recommendation seeking your agreement to propose this to Cabinet in March in the paper *Options for ongoing funding for strategically important VET provision* [METIS 1354296 refers]  

**Noted**
- g. **note** the need to ensure you have all the information needed to make an informed assessment of whether each polytechnic will meet the characteristics set out in section 314 of the Act, and to provide reassurance to Cabinet for the March decisions, but that given the consultation already carried out, and the pressure on the sector right now, we consider the February consultation will not be necessary  

**Noted**

\* 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>

**Noted**

- h. **agree** to proceed without consultation in February, and just the formal statutory consultation in April 2026.

☒ **Agree** ☐ **Disagree**

**Proactive Release:**

- i. **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

**General Manager**

**Te Pou Kaupapahere**

29/01/2026



Hon Penny Simmonds

**Minister for Vocational Education**

02/02/26