Te Tāhuhu o te Mātauranga
Ministry of Education

Briefing Note: Proposed approach for November Cabinet paper delivery

To:	Hon Penny Simmonds, Minister for Tertiary Education and Skills		
Date:	7 August 2024	**Priority:**	High
Security Level:	In-Confidence	**METIS No:**	1333482
Drafter:	9(2)(a)	**DDI:**	9(2)(a)
Deadline Date:	12 August 2024		
Key Contact and Hautū | Deputy Secretary:	Katrina Sutich	**DDI:**	9(2)(a)
Seen by the Communications Team:	No	**Round Robin:**	No

Purpose of Briefing

This report seeks your agreement to our proposed approach to securing key policy decisions from you to inform final proposals for the November Cabinet paper once the consultation period ends on 12 September 2024.

Alignment with Government priorities

This paper supports the Government's commitment to take decisions to disestablish Te Pūkenga and to progress a replacement model for the vocational education and training system.

Recommended Actions

The Ministry of Education recommends you:

a. **note** that the timeframes between the close of the VET redesign consultation and your proposed deadline of 7 November 2024 for lodgement of a November Cabinet paper are extremely tight

Noted

b. **note** that officials are working to mitigate risks that may emerge as a consequence of the truncated submissions analysis process to the extent they are able

Noted

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c. **note** that we propose a process and approach to seeking your decisions on final policy proposals in order to be able to meet the proposed deadlines

Noted

d. **agree** to work with officials to implement this process and approach, including scheduling working meetings in the week 7 – 11 October.

Agree / Disagree

Proactive Release

e. agree that the Ministry of Education proactively release this paper only after full Cabinet consideration of the issues, and as part of a communications strategy associated with Government announcements following Cabinet consideration of your Cabinet paper in November.

Agree / Disagree



Rachel Dillon
Programme Manager
Tertiary and Evidence

7 August 2024

Hon Penny Simmonds
Minister for Tertiary Education and Skills

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Background

1. We have previously provided you with a paper setting out a schedule for advice over the coming weeks. The briefings will detail some of the information and analysis you will need to take account of when making your final decisions for your November Cabinet paper.
2. This briefing note sets out a proposed process and schedule of papers we will be providing to you for your consideration following the end of the consultation. This will include the compilation of the Summary of Submissions report (by 4 October 2024) and papers to step through all the policy decisions required to inform the Cabinet paper.
3. You have requested that you be provided with an initial draft of the November Cabinet paper by 14 October 2024, with the expectation that you will lodge it with the Cabinet Office by 7 November 2024.
4. This is so Cabinet can consider it on **18 November 2024**.

Context

Delivery timeframes are extremely truncated

5. The timeframe for analysing submissions, compiling the Summary of Submissions report, and fully briefing you on the final decisions to inform the November Cabinet paper are very tight.
6. Early indications are that there is good public engagement with the consultation – in just 24 hours after the consultation went live, we had received 20 submissions. For further context, we received approximately 3000 submissions for the ROVE reforms, with the majority in the last week of consultation.
7. We have **11** working days to analyse the submissions following consultation ending and **5** working days to compile the Summary of Submissions report. We will then have a further **5** working days to prepare the first draft of the November Cabinet paper for your consideration by **14 October 2024**.
8. We have undertaken to deploy all available resources within the Tertiary Policy and Evidence division to analyse the submissions, but also noting that we have a number of concurrent workstreams underway with similar dates for delivery.

What the November Cabinet paper must cover

9. The Cabinet minute authorising the publication of the consultation document [SOU-24-MIN-0083 refers] also made the following recommendations for the November Cabinet paper:

    7. **noted** that SOU also invited the Minister to report back on the findings from public consultation and final policy proposals for the redesigned VET system in November 2024;
    8. **noted** that the Ministry of Education, Tertiary Education Commission, and Te Pūkenga are undertaking further cost modelling to understand the viability of ITPs and the federation model;
    9. **noted** that the Minister will share the outcome of the further cost modelling work with the Minister of Finance and the Minister of Social Development, and meet to discuss the findings, ahead of broader Ministerial consultation on the paper expected to be submitted in November 2024; and

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10. **agreed** that the outcomes of the cost modelling work will be reflected in the November 2024 Cabinet paper to support Ministers' decisions.

10. Recommendation #7 requires that the November Cabinet paper present *final policy proposals*. Therefore, we will need to work through with you, at pace, the policy options for each aspect of the VET system and obtain your decisions. This will need to occur in the week after you have received the Summary of Submissions report (expected to you on 4 October) and before you receive the first draft of the November Cabinet paper (expected to you on 14 October).

11. This allows one week to work through the policy options and obtain your decisions. We are signalling this now so that we can book in a series of briefing sessions with you and your Office in the week of **7 – 11 October**.

12. Recommendations #8 - #10 require the cost modelling work to be completed. The specialist advisors appointed to undertake the cost-out work across the ITP network have indicated the following timetable for their reporting (although this is subject to change):

    a. Phase 1: Discovery and Information Gathering – due to be completed **late August 2024**.

    b. Phase 2: Operating model and financial improvement plan will be delivered in three tranches to recognise the complexity of the financial challenges:

        - Ara, Open Polytechnic and TPP in **mid-September 2024**;
        - Unitec/MIT, NMIT, EIT, Otago, Wintec, and SIT by the **end of September 2024**; and
        - NorthTec, Toi Ohomai, WITT, UCOL and WelTec / Whitireia at the **end of October 2024**.

13. We note that it is unlikely that a full set of information will be available to support you in your discussions with the Ministers of Finance and Social Development prior to going out to wider Ministerial consultation. You may want to indicate this potential constraint to them now.

Outline of process

14. We have attached an updated timeline building on the timeline provided to you last week (METIS 1332787 refers), and this is attached as **Annex 1**. We have classified as **Set A** the schedule of six briefings to you on the types of decisions that will be required for each of the three proposals. These are to be provided to you during weeks **5 August – 9 September**.

15. Papers seeking your decisions for the final policy proposals within the Cabinet paper are to be classified as **Set B** papers. There will be **three - four papers** provided to you in the week of **7 October**.

16. Our suggested approach is to build off of the Set A briefings where we set out the decisions that will be needed for each of the three proposals. We will present these Set B briefings by setting out each decision (in line with what we have discussed with you previously in the Set A papers), the summary of submissions relating to that decision, our analysis and recommendation for that decision, and an option for you to agree or disagree.

17. We also suggest that we set aside a 2 - 3 hour session for each of these papers to work through these decisions with you. These will need to be in the week of **7 – 11 October 2024**.

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Further timing challenges

18. We have held an initial meeting with Parliamentary Counsel Office (PCO) to gauge capacity and timing for drafting the legislation to give effect to the VET reforms.

19. On average, a bill of 50 clauses of medium complexity takes 90 days from instruction to introduction. If the number of clauses or complexity increases, this takes longer. The bid for the Bill estimates the Bill to be large (>80 clauses) and of high complexity.

20. The PCO may only draft bills if authorised to do so. Authorisation is usually given when Cabinet approves the policy that a proposed bill is to implement. As a consequence, there is normally no ability for PCO to undertake preliminary or informal drafting ahead of Cabinet approval.

21. In special (and rare) circumstances, the Attorney-General may authorise the PCO to draft bills ahead of Cabinet policy approval. However, the PCO's remit in these cases is confined to matters in which the underlining policy is reasonably certain, and that Cabinet is likely to support.

22. The purpose of these rules is to help ensure that drafting resources are used efficiently and allocated in accordance with Cabinet's priorities.

23. In addition, Cabinet policy approval on 18 November 2024 presents practical considerations. In particular, the holiday period usually reduces the capacity of most offices, including PCO, to progress legislative work over that period.

24. For these reasons, PCO have advised that late April or early May 2025 is a more realistic delivery date for the bill.

25. You may wish to discuss prioritisation decisions with the Leader of the House, or discuss early drafting with the Attorney-General to ensure that the legislation will be passed in time for a 1 January 2026 date for the reformed VET system to come into effect.

Risks

26. 9(2)(g)(i) [redacted]

27. 9(2)(g)(i) [redacted]

28. We understand you are considering international travel in November, possibly to China to attend the World Vocational and Technical Education Development Conference on 18-19 November. This would be very soon after the timing of your November Cabinet paper, with lodging on 7 November for its consideration by SOU on 13 November. Any slippage in its timing or need for further Ministerial discussion of the paper could therefore be challenging to manage.

29. Communications while working offshore can be challenging, with time-zones and other factors having an impact. There are also sensitivities for particular destinations with information and protective security, and the difficulty of using regular devices, for example it is not permitted for Ministers or officials to take their standard work or personal devices to China.

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Next Steps

30. We will work with your office to schedule time in the weeks following the closing of the consultation to walk through the decisions needed for the November Cabinet paper.

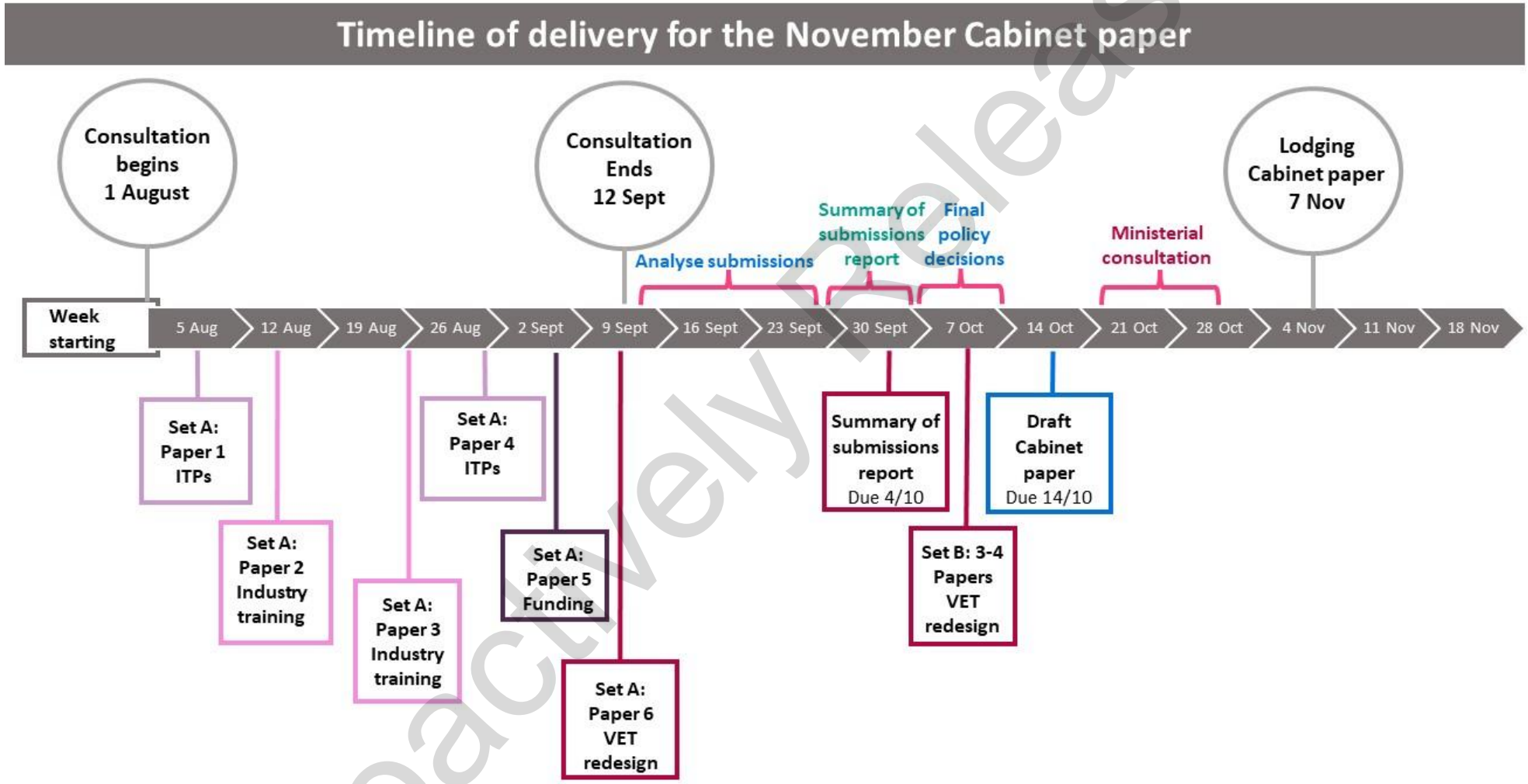
Annexes

The following are annexed to this paper:

Annex 1: Timeline of delivery for November Cabinet paper

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