Te Tāhuhu o te Mātauranga
Ministry of Education

Report: Final Cabinet paper for approval - Proposed establishment or transfer of the remaining four polytechnics

To:	Hon Penny Simmonds, Minister for Vocational Education		
Date:	17/03/2026	Deadline:	18/03/2026
Priority:	High		
From:	Katrina Sutich GM Tertiary Policy	Phone:	9(2)(a)
Drafter:	9(2)(a)	METIS No:	1355362
Title ok for release?		Yes	

Why are we sending this to you?

- This report provides the final Cabinet paper: *Proposed establishment or transfer of remaining polytechnics* for your approval prior to lodging with the Cabinet Office on 11 March 2026.

What action do we need, by when?

- We request this paper be returned by COP on 18 March 2026.
- The Cabinet paper must be lodged with the Cabinet Office by 10am on 19 March 2026.

Key facts, issues and questions

- The Cabinet paper has been updated based on discussion with you on 17 March 2026.
- After discussion with the Treasury and TEC, we have determined that no funding needs to be drawn down from contingency through this paper as unspent funding is already available.

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Alignment with Government priorities

1. This report aligns with Government priorities to redesign the Vocational Education and Training (VET) system and supports the progress of secondary legislation and further implementation activities for the ongoing roll-out of the redesigned system.

Background

2. You are seeking Cabinet decisions at the Social Outcomes Committee on 25 March 2026 on the remaining polytechnic divisions within the New Zealand Institute of Skills and Technology (NZIST).
3. On 16 March we provided a tracked changed version of the Cabinet paper to your office with amendments made to the paper based on Ministerial and agency consultation.
4. On 17 March 2026 we met with you to discuss those changes, and also any final revisions from yourself.
5. We have made further amendments based on that discussion. Attached is a version of the Cabinet paper with highlighted portions showing the final changes made, and a clean version for your approval.

Key changes made to the paper

6. The key changes made to the paper were based on discussion with you and are highlighted in paragraphs 8 (adding in reference to the health workforce), 12 (adding in reference to the high calibre, small and agile polytechnic councils), 18 (adding further detail regarding the background to the property issues), and paragraphs 47-49 (noting expectations for improved viability after 2031 and formalising the report back on strategically important provision).
7. We have also revised Table 2 to better reflect how the various expected expenses fit within available funding, and have revised financial recommendations to reflect the change noted below.

No additional funding is required from the contingency in this paper

8. After discussion with the Treasury and the Tertiary Education Commission (TEC), we have determined that some funding which was previously appropriated from the VET contingency was not needed for its original purpose (managed risks that did not eventuate). As a result, it is available for use, and the Treasury advises that it should be used before appropriating further funding.
9. This means that no funding needs to be drawn down from the contingency in this paper. Recommendation 27 instead seeks agreement to transfer funding from one appropriation to others, to provide funding for current proposals. The Cabinet paper seeks approval for Joint Ministers to agree future draws on the contingency for the NorthTec hub move 9(2)(b)

Next Steps

10. If any further amendments are required to the paper, we will require notification of those from your office by midday on 18 March 2026.
11. Once you are satisfied with the finalised paper, please return this signed paper. We will liaise with your office regarding anything further that is required for lodgement.

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Annexes

Annex 1: Final draft Cabinet paper - *Proposed establishment or transfer of remaining polytechnics*

Annex 2: (Changes highlighted) Draft Cabinet paper - Proposed establishment or transfer of remaining polytechnics

Annex 3: Annex 1 to the Cabinet paper: Further detail to support decisions on each of the remaining polytechnic divisions

Annex 4: Annex 2 to the Cabinet paper: Future of West Coast Provision – Volte final report Jan 2026

Annex 5: Annex 3 to the Cabinet paper: Further detail and options for strategically important provision funding

Annex 6: (Changes highlighted) Annex 3 – Further detail and options for strategically important provision funding

Annex 7: Annex 4 to the Cabinet paper: Risks and Mitigations

Annex 8: Annex 5 to the Cabinet paper: Timeline including implementation activities

Annex 9: Annex 6 to the Cabinet paper: Article from Southern Institute of technology website: North - South collaboration guides students into primary industry training – 10 March 2026.

Annex 10: Annex 7 to the Cabinet paper: Final Regulatory Impact Statement

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Recommended Actions

The Ministry of Education recommends you:

a. **note** that no funding needs to be drawn down from the Te Pūkenga Disestablishment and Transition contingency through this Cabinet paper, and unused funding will instead be transferred to cover the costs of these proposals

Noted

b. **approve** the final version of the Cabinet paper and Annexes for lodging with the Cabinet Office on 19 March 2026.

Approve / Disapprove

Proactive Release:

c. **agree** that that the Ministry of Education release this paper once Cabinet decisions are finalised in March 2026 with any information needing to be withheld done so in line with the provisions of the Official Information Act 1982

Agree / Disagree



Katrina Sutich
GM Tertiary Policy
Te Pou Kaupapahere

17/03/2026

Hon Penny Simmonds
Minister for Vocational Education

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