Tertiary Education Report: draft approval for introduction pack for the Vocational Education Reform Bill

To: Hon Chris Hipkins, Minister of Education
Date: 2 August 2019
Priority: High
Security Level: In Confidence
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Messaging seen by Communications team: No
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Purpose of Report

This briefing provides a draft approval for introduction pack for the Vocational Education Reform Bill, which includes a draft:

a. Approval for Introduction Cabinet paper
b. Disclosure statement (including the General Policy Statement)
c. Vocational Education Reform Bill (incomplete).

This paper also outlines the steps required and risks with introducing the Bill during the week of 19 August.

Recommended Actions

The Ministry of Education and the Tertiary Education Commission recommend that you:

a. note the attached draft approval for introduction pack for the Vocational Education Reform Bill

   Noted

b. note that officials wish to discuss this draft approval for introduction pack with you at the agency meeting on 5 August

   Noted

c. forward this briefing and annexes to any additional ministers you may wish to inform

   Agree / Disagree

METIS: 1200653
IN CONFIDENCE
d. **agree** that this briefing and annexes will be proactively released once the Bill has been introduced.

[Signature]

Andy Jackson  
Group Manager, Tertiary  
Graduate Achievement, Vocations and Careers  
Ministry of Education  
02/08/2019

[Signature]

Gillian Dudgeon  
Deputy Chief Executive, Delivery Directorate  
Tertiary Education Commission  
02/08/2019

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Hon Chris Hipkins  
Minister of Education  
3/13/19
Approval for introduction pack

1. This briefing provides a draft approval for introduction pack for the Bill, which includes a draft:
   - Approval for introduction Cabinet paper
   - Disclosure statement (including the General Policy Statement)
   - Vocational Education Reform Bill (incomplete).

2. We would like to discuss this draft pack with you at the agency meeting on 5 August. However, it will not be possible for the Parliamentary Counsel Office (PCO) to incorporate your feedback on the draft Bill before it is sent for agency and ministerial consultation on 8 August.

3. The General Policy Statement (included within Annex 2) will be incorporated into the Bill before being circulated for consultation. We would like to incorporate any feedback you have on this Statement now, as it will become more difficult to change the Statement once it is drafted into the Bill.

Comments on the attached draft Bill

4. Attached is the second draft of the Bill for your early viewing. While the draft Bill contains many of the provisions needed to establish the Institute and Workforce Development Councils (WDCs), there are still some gaps. The drafting of the Bill is also largely untested, though officials have had some opportunity to identify fishhooks.

5. The Ministry and PCO are continuing work on the transitional provisions within the Bill, and these are incomplete in the attached draft. The proposed transitions are complex, with four separate transition processes that the legislation will need to make provision for:
   - Industry Training Organisations (ITOs) to holding organisations
   - Holding organisations to WDCs and providers
   - Current state of ITP sector to 'day one' of the Institute (i.e. 16 ITPs to single Institute and its subsidiaries)
   - Day one of the Institute to its final form.

6. Each of these transitions requires detailed provisions to ensure they are made effectively. The drafting of these provisions will require testing, scrutiny and consultation to ensure they are enabling, and that nothing important is missed.

Next steps

7. We expect that a full set of transition provisions will be included in the third draft of the Bill that goes for agency and ministerial consultation on 8 August. However, officials will not have had the opportunity to thoroughly work through these draft provisions to ensure they are fit for purpose. For a Bill of this size and complexity, we would usually expect around 20 iterations of feedback and revisions between the Ministry and PCO before submitting the Bill for introduction.

8. As part of the standard select committee process, we expect stakeholders and the select committee to identify and focus on any weak points in the proposed legislation. Poorly tested transition provisions could affect confidence in the reforms. This risk can be mitigated to an extent by effective ongoing communications.

9. We will continue reviewing the Bill through the select committee process and will advise you of further refinements that may be needed.
Steps to introduce the Bill during the week of 19 August

10. At the agency meeting on 29 July, you indicated that you would like the introduction of the Bill brought forward to the week of 19 August. For the Bill to be introduced on the week of 19 August, the following steps are required:
   - 2 Aug – Draft approval for introduction pack sent to you for initial feedback at agency meeting on 5 August
   - 8 Aug – Draft approval for introduction pack sent to you, agencies, and other ministers for consultation
   - 15 Aug – Lodge draft Bill and Cabinet paper
   - 19 Aug – Cabinet considers draft Bill and Cabinet paper
   - 20 Aug – Introduction
   - 27 Aug – First reading.

11. If a decision is not reached by Cabinet on 19 August, the Cabinet Legislative Committee could give further consideration the draft Bill on 20 August.

12. It should be noted that PCO has raised concerns about the timeframe for drafting the Bill. They have advised that it is likely they will be unable to incorporate any further feedback after 6 August (i.e. feedback from agencies and ministers) if the Bill is to be lodged on 15 August, as internal quality assurance processes need to be met. Should any substantive issues be raised by ministers or agencies on the draft Bill, this will likely delay introduction.

Update on the Institute’s Charter

13. A draft Charter for the Institute was discussed with you at the Strategy Session on 31 July. An updated draft Charter will be provided to your office separately to this briefing.

14. While every effort will be made to include the Charter (once agreed with you) in the version of the draft Bill circulated for agency and ministerial consultation on 8 August, this may not be possible.

Annexes

Annex one: draft Approval for introduction Cabinet paper
Annex two: draft Disclosure statement (including the General Policy Statement)
Annex three: draft Vocational Education Reform Bill (incomplete).