

Tertiary Education Report: Annotated Agendas to support the drafting of legislation to implement the RoVE and supplementary work

To:	Hon Chris Hipkins, Minister of Education		
Date:	27 June 2019	Priority:	Medium
Security Level:	In Confidence	METIS No:	1194893
Key Contact:	Andy Jackson Katrina Sutich Phil Wise	DDI:	s 9(2)(a)
Drafter:	Francis Powley Lisa Sengelow	DDI:	
Messaging seen by Communications team:	No	Round Robin:	No

Purpose of Report

There are two annotated agenda attached to this paper:

- Detailed decisions on RoVE to support legislative drafting*
- Supplementary issues following Cabinet decisions on RoVE.*

We seek your direction on the 'details of RoVE' annotated agenda at the Agency meeting on 1 July to support the Parliamentary Counsel Office (PCO) in the legislative drafting process.

Recommended Actions

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

- note** that on 22 July Cabinet will be asked to authorise you as the Minister of Education to make a range of detailed decisions on the RoVE proposals and to issue drafting instructions to the PCO to implement these decisions
- note** that the attached annotated agenda – *Detailed decisions on RoVE to support legislative drafting* – sets out a range of detailed decisions that require your confirmation or agreement to support the legislative drafting process
- note** that the Attorney-General's response to your 5 June letter to him has been received and we are now engaging with the PCO to facilitate drafting commencement

Noted

Noted

Noted

- d. **note** the second attached annotated agenda – *Supplementary issues following Cabinet decisions on RoVE* – outlines a range of work to be completed following Cabinet decisions on 22 July (along with earlier work to prepare for RoVE announcements)

Noted

- e. **forward** the attached annotated agendas to any additional ministers you may wish to inform

Agree / Disagree

- f. **agree** that this briefing and Annex will be proactively released once final decisions on RoVE have been made.

Agree / Disagree



Andy Jackson

Acting Deputy Secretary, Graduate
Achievement, Vocations and Careers
Ministry of Education

27/06/2019



Tim Fowler

Chief Executive
Tertiary Education Commission

27/06/2019



Hon Chris Hipkins

Minister of Education

30/6/19

Confirming the details of RoVE

1. On 22 July, Cabinet will be asked to authorise you as the Minister of Education (the 'responsible minister') to make decisions on the details of RoVE.
2. Annex one sets out the detailed decisions that require your confirmation or agreement to support the legislative drafting process. You have agreed in principle to many of these decisions through the following annotated agendas:
 - a. Annotated Agenda to support discussion on RoVE Proposal one [METIS: 1184640; Date: 26 April 2019]
 - b. Annotated Agenda to support discussion on RoVE Proposal two [METIS: 1187910; Date: 1 May 2019]
 - c. Annotated Agenda to support discussion on RoVE Proposal three, and the fiscal and systems implications of RoVE [METIS: 118912; Date: 9 May 2019]
 - d. Annotated Agenda to support discussion on RoVE transition arrangements, the formation of Industry Skills Bodies and Centres of Vocational Excellence, and fiscal implications [METIS: 1190415; Date: 17 May 2019]
 - e. Further decisions on transition arrangements for the Reform of Vocational Education [METIS: 1193251; Date: 31 May 2019].
3. This paper does not include options analysis or detailed discussion on each issue as this material has been provided through the above annotated agendas. Further information on these decisions can be provided at your request.
4. There will be a range of consequential matters that will need to be worked through resulting from the overall legislative proposals. Further advice will be provided to you seeking decisions to support PCO in the drafting process.

Supplementary issues following Cabinet decisions on RoVE.

5. The second attached annotated agenda informs you about the planning for the RoVE beyond Cabinet decisions on 22 July. It provides information about the announcement arrangements as well as other planned work.

Annexes

Annex one: Detailed decisions on RoVE to support legislative drafting

Annex two: Supplementary issues following Cabinet decisions on RoVE.

Annotated Agenda – Detailed decisions on RoVE to support legislative drafting

Reform of Vocational Education
1 July 2019

Attendees Minister of Education, Hon Chris Hipkins
Officials to be confirmed

This annotated agenda outlines a range of matters relating to the drafting of legislation to implement the reform of vocational education (RoVE). It includes a range of detailed decisions on the RoVE which you will seek authorisation from Cabinet to make (on 22 July). You have already agreed in principle to many of these decisions through the annotated agendas that have been discussed with you over the past weeks. Where you have previously made an in-principle decision, we ask for your confirmation, and where a decision has not yet been made, we seek your agreement. Further information on these decision can be provided at your request.

The annotated agenda covers the following topics:

- Item 1: Detailed decisions – Redefine roles for industry bodies and education providers
- Item 2: How the Institute may be drafted into the Education Act
- Item 3: Detailed decisions – Create a New Zealand Institute of Skills & Technology
- Item 4: Detailed decisions – RoVE transitions.

Item 1: Detailed decisions – Redefine roles for industry bodies and education providers

1a. The Minister of Education will have the power to establish individual Workforce Development Councils

1. You have indicated that the name, coverage, governance arrangements, appointments and removal process for Ministerial (if any) and industry representatives for each Workforce Development Council (WDC), and any additional functions, would be confirmed by the Minister of Education (the 'responsible minister') through a subordinate instrument at the time they are formed. WDCs could be established from the date that legislation is passed in 2020.
2. Changes to the coverage, governance, etc. of WDCs could be made subsequently through an amendment to the subordinate instrument. This would ensure that the WDCs are sufficiently flexible to meet the needs of changing industry representation over time.
3. Cabinet agreement is being sought to give the responsible Minister the ability to remove any governing member of a WDC if there is just cause, in line with the interventions framework that will be designed with industry.
4. WDCs will be funded against an approved skills leadership plan, and they must meet funding conditions specified by the Tertiary Education Commission (TEC). These would include requirements to consider regional and national interests alongside the interests of industry.

5. The aim is that most WDCs would be established inside six months of the Bill passing, in order to allow industry to expand its role earlier in the establishment of the new vocational education system.

6. It is recommended that you:

a. **confirm** that WDCs can be formed from the passing of the Reform Bill, and that the responsible minister will confirm the details for each WDC, through a subordinate instrument, at the time they are formed, including:

- i. name
- ii. industry coverage
- iii. governance arrangements
- iv. appointments, removals and appointment and removal process for Ministerial (if any) and industry representatives
- v. any functions in addition to those outlined in the Education Act
- vi. the conditions under which a WDC may be disestablished.

CONFIRM / DISCUSS

b. **note** that the above process will allow for further engagement with industry bodies to ensure arrangements are appropriate for each WDC, reflect the needs of the industry or industries being covered, and will allow flexibility to amend these arrangements should these needs change over time

c. **confirm** that TEC's role and functions should be adjusted as required to account for the administration of WDCs (for example, to specify funding conditions for WDCs)

CONFIRM / DISCUSS

d. **confirm** that the future funding of WDCs will be based on a skills leadership plan approved by TEC and that TEC may set conditions on this funding, including that WDCs be required to consider regional and national interests alongside the interests of industry.

CONFIRM / DISCUSS

1b. How external quality assurance applies to WDCs and any changes to the NZQA rulemaking section (s.253)

7. You agreed through the 17 May annotated agenda that WDCs would be subject to annual audits, would be required to report on their activities annually, and would and be subject to appropriate NZQA external quality assurance and monitoring. This monitoring would need to consider, amongst other things, WDCs' responsiveness to industry and their effectiveness in carrying out their roles. A provision in statute could provide for TEC to conduct a review or require an independent audit of WDCs' finances and to audit and investigate WDCs' compliance with the funding conditions set by TEC. The responsible minister would also have the power to remove board members of a WDC.

8. NZQA will also need to amend rules for qualifications development, standards-setting, programme endorsement and assessment that reflect the full range of WDC functions.

9. It is recommended that you:

a. **confirm** that the following provisions in legislation would apply to WDCs:

- i. appropriate external quality assurance and monitoring by NZQA so they remain fit for purpose

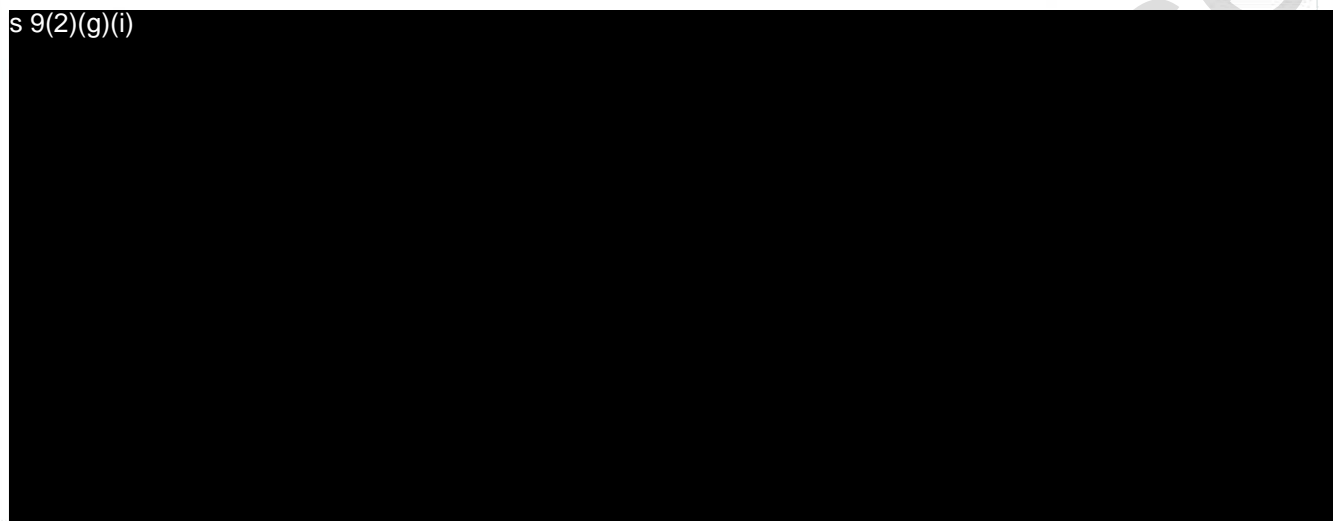
- ii. the ability for TEC to conduct a review or require an external evaluation and review of finances and to audit and investigate WDCs' compliance with the funding conditions set by TEC, as required

CONFIRM / DISCUSS

- b. **confirm** that NZQA should cover WDCs in its rules in relation to their qualification development, standards-setting, programme endorsement, training package development, and capstone assessment and moderation roles.

CONFIRM / DISCUSS

s 9(2)(g)(i)



1d. Adjusting TEC's roles to take into account its relationships with WDCs

12. The Cabinet paper outlines that WDCs will be allocated a funding envelope (set by TEC) for the sector(s) that they cover, and that they would determine the skills mix required in each programme and in each industry within their coverage. TEC would allocate resources within provider investment plans to give effect to these decisions. While WDCs would be able to provide advice on regional and provider allocations, TEC would make the final decision on provider funding allocations in investment plans, taking into account a range of internal and external information and sources of advice.
13. It is recommended that you:
- a. **confirm** that TEC sets requirements for the timing, form, and scope of WDCs' formal advice to TEC on industry skills needs

CONFIRM / DISCUSS

- b. **confirm** that WDCs determine the skills mix required in each industry that they cover and that TEC is required to allocate investments according to the mix recommended by WDCs within the constraints of the investment envelope allocated to the WDC for the industry sector(s) that they cover

CONFIRM / DISCUSS

- c. **confirm** that WDCs advise TEC on desired regions and providers in which to invest in vocational education programmes leading to qualifications developed by the WDC (or relevant ITO prior to the establishment of the WDC), with TEC making the final decisions based on a range of other information

CONFIRM / DISCUSS

- d. **note** that as TEC's confidence in the quality and accuracy of advice of a WDC increases over time it would be desirable to delegate some decisions on the purchase of vocational education programmes to that WDC.

1e. Incorporate relevant provisions of the Industry Training and Apprenticeships Act (as amended) into the Education Act (including the ability of ITO's to charge a levy), and repeal the former Act

14. You agreed through the 31 May annotated agenda to a process of recognising 'holding organisations' (formed from ITOs) to deliver industry training as part of a managed transition to WDCs. Relevant provisions in the Industry Training and Apprenticeships Act 1992 will be carried across to the Education Act 1989, and new provisions are needed for the establishment of WDCs and recognition of holding organisations. TEC functions that relate to work-based training need to transfer into the Education Act. Similarly, WDCs, holding organisations and education providers (in taking on work-based training) should all be subject to Part 13 of the Education Act (General provisions relating to tertiary education) that sets out the objects of tertiary education.
15. Furthermore, you agreed through the 26 April annotated agenda that the levy provision in the Industry Training and Apprenticeships Act that enables an industry to impose a levy on employers should be retained with consequential amendments to refer to WDCs rather than ITOs.
16. It is recommended that you:
- a. **agree** that TEC provisions that relate to work-based training in the Industry Training and Apprenticeships Act 1992 would transfer across to the Education Act 1989 and would continue to apply to TEC

AGREE / DISAGREE

- b. **agree** that ITOs, temporary holding organisations and WDCs will all be subject to the objects of tertiary education as set out in Part 13 of the Education Act 1989

AGREE / DISAGREE

- c. **confirm** that WDCs and their functions be established within the Education Act 1989, and to transfer existing levy and employment contract matters from the existing Industry Training and Apprenticeships Act 1992 into the Education Act 1989.

CONFIRM / DISCUSS

Item 2: How the Institute may be drafted into the Education Act

2a. Proposals

17. You have indicated that you would like the Institute's Establishment Board to decide on the final name of the entity at a later date for your approval (before the Institute comes into existence). However, there is also a question over whether the Institute should be able to call itself a polytechnic. Retaining the use of the term polytechnic has the benefit of being a well-understood term, both locally and internationally. However, retaining the term could dilute messages about the nature and extent of the reforms, i.e. that the Institute will be a new type of tertiary institution due to its focus on workplaces and workplace training and bringing together the two current systems.
18. A key design issue is whether you choose to describe the Institute in the Education Act as a type of education provider, such as a polytechnic, or as an institute of skills and technology (IST), or as a unique organisation.
19. In the Education Act, education providers are usually referred to by their type of organisation. For example, the Act refers to universities as types of education providers, not the University of Waikato specifically. There are examples where the Act does refer to specific organisations such as the TEC or Education NZ, but these are not education providers and instead offer unique functions to the education system.

Option 1: The Institute is a polytechnic

20. If you want to change the name the Institute at a later date (after the Institute comes into existence) and still retain the ability of the Institute to call itself a 'polytechnic' then the simplest way to do this is to retain the term polytechnic in the Act. The Institute's Council (formed from the Establishment Board) could then obtain your agreement to a name while still being a polytechnic.

Options 2: Change the term polytechnic in the Act to 'institute of skills and technology'

21. A further option, similar to the one above, is to change the term polytechnic in the Education Act to 'institute of skills and technology' (or another name). The Institute would then be a type of provider under the Education Act and the Institute's Council could then obtain your agreement to a name. A consequential amendment could be made to the Act to allow an Institute to call itself a polytechnic or an institute of technology.

Option 3: The Institute is a unique entity in the Education Act

22. If you wish to emphasise the unique nature of the Institute, the Act could refer to the name of the entity, similar to Education New Zealand. For drafting purposes, it could be called the 'New Zealand Institute of Skills and Technology'. The name could then be changed at a later stage in the Bill process, subject to the Establishment Board's recommendation and your approval, or the new name being given life by a subordinate instrument if the provision was made in the Bill. A consequential amendment could be made to allow the entity (whatever it is called) to describe itself as an institute of technology or polytechnic.

Summary

23. All of the options allow for the Institute to be named at a later date and for it to use the terms institute of technology or polytechnic. Option 1 and 2 will emphasise similarity and alignment with existing TEI provisions. These options also leave open the option of creating new institutions within those classes. However, if you want to emphasize the unique nature of the Institute and in time, move away from the terms institute of technology and polytechnics then Option 3 provides the best opportunity to do that. Option 3 also makes it clear that the institute will be one of a kind and that no other institutes can be set up that are similar to it.
24. It is recommended that you:

a. **agree** that the Institute will be either:

i. a polytechnic, or

AGREE / DISAGREE

ii. part of a new class of institution called institutes of skills and technology (ISTs), or

AGREE / DISAGREE

iii. a unique TEI (recommended).

AGREE / DISAGREE

b. **agree** that the Institute and its Crown entity subsidiaries can use the term polytechnic or institute of technology

AGREE / DISAGREE

c. **agree** to remove the ability to establish polytechnics in the future (since the Institute will be their replacement)

AGREE / DISAGREE

d. **confirm** that for drafting purposes, the Act refers to the 'New Zealand Institute of Skills & Technology' as the name of the institution and that the name may be changed at a later date, by subordinate instrument if necessary

CONFIRM / DISCUSS

e. **note** if you decide that the Institute and its Crown entity subsidiaries cannot use the term polytechnic or institute, then we will make a consequential amendment to ensure wānanga and private training establishments cannot apply to use the term.

2b. Offence provisions relating to the term polytechnic and institute of technology

25. We propose retaining references to 'polytechnic' and 'institute of technology' in the sections of the Education Act referring to offence provisions. This would ensure the provisions that make it an offence to use the term polytechnic or institute of technology continue to apply.

26. Given the changes you are proposing, you may want to restrict the use of the terms even further. Currently, PTEs and wānanga are able to apply to use the terms polytechnic and institute of technology to describe themselves in their branding and marketing.

27. It is recommended that you:

a. **agree** that the offence provisions are amended so the terms polytechnic and institute of technology are more fully protected and wānanga and PTEs cannot apply to use those terms.

AGREE / DISAGREE

Item 3: Detailed decisions – Create a New Zealand Institute of Skills & Technology

28. You agreed through the 17 May annotated agenda that an establishment unit for the Institute be set up within an existing agency to carry out the work needed for the Institute to be governable and manageable on day one. This unit will be set up within the Ministry of Education.
29. As noted in the RoVE Cabinet papers, the designate Chair, Deputy Chair and Council members of the Institute will form an Establishment Board as a ministerial advisory group for the Institute as soon as practicable, which will be supported by a unit within the Ministry of Education, with powers to begin establishment work and spend funding under delegation.
30. This Establishment Board will govern the activities of the establishment unit and associated work, and will operate until the Institute is formally established on 1 April 2020, at which point the group will transition into the Institute's permanent Council.

3a. The Institute will also need links with regional, national and international stakeholders

31. Because the Regional Leadership Groups (RLGs) will be external to the Institute, legislation should include clear measures to ensure that key stakeholders' voices are heard and have influence, both nationally and regionally within the Institute's decision making structures. We propose that this would take the form of a duty in statute for the Council to ensure the institute has effective local and national stakeholder engagement processes, consideration of international learners and their potential contribution to regions. This should include arrangements for Pacific community and business voices, disabled learners and others.
32. It is recommended that you:
 - a. **confirm** that the Institute's Council will ensure the Institute has effective local and national stakeholder engagement processes and gives appropriate consideration to international learners and their potential contribution to regions.

CONFIRM / DISCUSS

3b. The constitution of, and appointments to, the Institute's Council, including the process for meeting Crown Māori relationship expectations surrounding Council appointments

33. You have agreed to a single governing Council for the Institute that can be held accountable for the performance of the Institute and avoids the significant complexities that would be experienced with an additional layer of regionally-based governance. Regions will have RLGs to advise the TEC and the Institute's Council about regional needs. A single Institute with a single governing Council can concentrate management and governance capability so that it has a greater capability to manage financial and educational performance issues without interventions. This can be expected to lead to stronger governance and management than those that led some ITPs to require interventions over the last few years.
34. We have discussed with you the details of the Council, including how we continue to work with Māori over details of governance to give effect to Crown/Māori relationships. These are reflected in the below recommendations
35. It is recommended that you:
 - a. **confirm** your decisions regarding the Institute's Council:
 - i. the size of the Council should be eight to twelve members
 - ii. the responsible Minister shall appoint all but two of the Council's members
 - iii. the two Council members that the responsible Minister does not appoint should be a representative of students and a representative of staff members and should be the

chairperson of the Council's student committee and the chairperson of the Council's staff committee¹

- iv. the responsible Minister shall make appointments on the basis of skills including governance, cultural competency and inclusiveness
- v. the Council should reflect the diversity of New Zealand's population, including, but not limited to, diversity of ethnicities, genders, abilities and socio-economic status
- vi. the responsible Minister must appoint people who have enough experience of governance to fulfil their individual duties as members of the Council and the functions, duties, and responsibilities of the Council
- vii. the responsible Minister should appoint the Council's chairperson and deputy chairperson from among its members.

CONFIRM / DISCUSS

- b. **note** that officials will work with Māori on design detail of the Institute and that further work is required on how this will be done and how this process gives effects to Māori/Crown relationships
- c. **note** that officials will work with a technical working group with expertise in Māori and governance, over details of governance to give effect to Crown/Māori relationships
- d. **agree** to consult with the Minister for Crown/Māori relationships and Associate Ministers of Education to agree on the details of governance to give effect to Crown/Māori relationships for inclusion in the draft Legislation to be considered by the Cabinet Legislation Committee in August 2019

AGREE / DISAGREE

- e. **note** that these proposals will not include designated Māori places on the Council of the proposed Institute, but the Council as a whole will be responsible and accountable for giving effects to Māori/Crown relationships, and for outcomes for all New Zealanders including Māori

3c. Details of committees of the Council of the Institute

- 36. Currently, tertiary education institutions must have an academic board to advise them on academic matters. For a national Institute, it will be important that the public, staff and students have an assurance that regional staff and student voices are considered by the Council in its decision making, and that advice on how to work in partnership with Māori is considered and actioned.
- 37. To reflect the change of roles in the system (i.e. that providers will be responsible for supporting work-based learning) it is proposed that, for the avoidance of doubt, the remit of the Institute's academic board should include work-based learning – i.e. industry training and apprenticeships. Given the Institute's new role in supporting work-based learning, it will be important that the interests of industry and employers are reflected in the academic board's decision-making.
- 38. We anticipate that the Institute's Council will have duties in legislation and under its charter to work in partnership with Māori to achieve strong outcomes for Māori learners and businesses. To do this, it will be key that the governing Council has a whole has an understanding of its obligations under the Treaty to work in partnership with Maori and practical knowledge of how to do this. To create a strong ongoing basis for the fulfilment of these duties, we propose that, along with committees for staff and students that you have agreed to in past annotated agendas, a committee be established in legislation, known as a Board, to support the Council to work in partnership with Māori.

¹ This will only be able to be put in place sometime after the Institute is established.

39. It is recommended that you:

- a. **confirm** your decision to amend the Act to the effect that, for the avoidance of doubt, the remit of the Institute's academic board should include work-based learning – i.e. industry training and apprenticeships

CONFIRM / DISAGREE

- b. **agree** that the Council of the institute be required to appoint a Board to support the Council to work in partnership with Māori, that:

- i. is a Committee of the Council
- ii. is made up of members internal to the Institute and external
- iii. has a size and composition the Council must determine in consultation with Māori
- iv. provides advice to the Council with a requirement on the Council to seek and consider its advice.

AGREE / DISAGREE

- c. **confirm** that the following provisions be in its constitution to enable students and staff to have a voice in Council decision-making:

- i. the Council of the Institute should establish a committee of students of the Institute and a committee staff of the Institute
 - ii. the committees should consist of members of staff and students representing at a minimum each substantial regional division of the institute; the Council should determine, in consultation with the students and staff, additional membership, if any, that takes account of regional leadership groups' areas of operation
 - iii. the Council should determine, in consultation with students and staff, the number of members of each committee
 - iv. the members of each committee should be elected by the staff and students of the relevant regional divisions
- the committees should provide advice to the Council to inform its decision-making, and the Council should be required to consider solicited or unsolicited advice from the student and staff committees.

CONFIRM / DISCUSS

3d. Ministerial power to direct funding to the Institute if required for efficient use of national resources and in the national interest

40. The transition to the new system could require at times funding to be directed to specific providers (for example, as part of transitioning workplace training support to providers, including to secure capability across key public networks). It is also possible that the responsible Minister will, from time to time, need to direct funding to the Institute as part of the unified funding system, e.g. to ensure provision is available in regions, and to set conditions on this funding.

41. It is recommended that you:
- a. **agree** that for the length of the transition to the reformed system, the responsible Minister may direct funding to specific organisations, where it is in the national interest to do so, and linked strongly to the needs of the transition
 - b. **agree** to amend the Act to allow the Minister to direct funding to the Institute only, via s159L of the Education Act, where it is in the national interest, and consistent with the efficient use of national resources.

AGREE / DISAGREE

AGREE / DISAGREE

3e. Confirmation of academic freedom

- 42. The additional machinery of government instruments that will apply to the Institute² will alter the balance of institutional autonomy compared to other TEIs. While these measures are necessary due to the risks associated with the Institute, this should not be seen as a licence for the Crown to get more involved in academic matters or decision making (i.e. as we are shifting to the required setting for institutional autonomy, we should not be bringing the settings for academic freedom along with them).
- 43. The way that provisions in the Education Act related to academic freedom and institutional freedom are drafted means that the two concepts are difficult to unpick from one another. The definition of academic freedom in the Act includes the freedom of an institution and its staff to teach and assess students in the manner they consider best promotes learning. This principle is sound from an academic quality perspective, but we will need to test with legislative drafters that it still allows the WDCs to play their intended role in assessing industry standards.
- 44. This will create a drafting challenge. However, we seek confirmation that this is the intention, so that we can provide clear drafting instructions to PCO.
- 45. It is recommended that you:
 - a. **agree** in principle that the existing principles relating to academic freedom in TEIs should apply to the Institute subject to the stronger accountability regime
 - b. **note** that despite your agreement above, we will test whether the aspect of academic freedom that covers the freedom to assess students in the manner that best promotes learning needs to be adjusted in light of new WDC roles in making assessments of industry skills.

AGREE / DISAGREE



3f. Changes to existing statutory interventions and monitoring framework as apply to Institute and its Crown entity subsidiaries

- 46. A single national Institute presents a significant risk should failure occur. Government will need a strengthened ability (compared to other tertiary institutions) to influence direction, monitor, and to work with the Institute and its Crown entity subsidiaries to prevent risk from crystallising. In practice, it will be key for the relationships to work well between government and the Institute so that opportunities are taken and risks managed together before they reach the point where interventions are necessary.
- 47. Recommendations c below is adapted from what was discussed through the annotated agenda process into a form suitable for legislation.

48. It is recommended that you:

- a. **note** that the existing statutory interventions that apply to ITPs will be retained, but amended in accordance with c. below (including requirements TEC may impose to obtain specialist help and supply a performance improvement plan, and powers of the Minister to appoint a Crown manager, a Crown observer and a Crown commissioner)
- a. **agree** to amend the Act to the effect that the Secretary For Education must set criteria for risk assessment that take into account the Institute's charter and the unique risks it poses to its stakeholders and to the Crown of the Institute (this will be different to the criteria that apply to other TEIs)

AGREE / DISAGREE

- b. **confirm** that the Act be amended to the effect that, for the avoidance of doubt, the Secretary's power to set criteria for risk assessment may include separate thresholds at which each of the interventions available under the Act should be exercised

CONFIRM / DISCUSS

- c. **note** that when drafting the provisions to give effect to recommendations b and c, the tests used to trigger the different interventions will change so that the focus is not on imminent risks but can be applied to prevent the Institute from reaching the point where interventions would currently be required
- d. **confirm** that the chief executive of the TEC should be able to gather information from the Institute (separate to the powers to intervene) as follows:
 - i. as is required and reasonable for the purpose of identifying possible educational or financial risk factors before risks can crystallise (or managing any risks that have come to the Chief Executive's attention)
 - ii. such information could include, but not be limited to, information about the operation, management, financial or educational performance of the Institute
 - iii. the chief executive of the TEC should be able to gather information of a broad nature, as is required and reasonable
 - iv. the chief executive of the TEC's powers should include gathering information about any Crown entity subsidiaries or joint ventures of the Institute (with appropriate protections for confidentiality of commercial information of the other joint venture participants)
 - v. note that currently, the interventions framework can only be triggered based on risk to the whole of a TEI.

CONFIRM / DISCUSS

- e. **note** that TEC will develop a new monitoring framework with input from the Institute's Establishment Board (and the Institute once established) in order to mitigate the risk that monitoring become onerous or that too much information is collated making it difficult to identify salient issues
- f. **note** that the goal is for the Institute and its Crown monitoring agency to manage potential risks before they crystallize but not in such a way as to choke innovation and opportunities for high performance.

² For example, the application of a statement of intent and statement of performance expectations, and the need to tailor monitoring arrangements and capital and borrowing approvals.

3g. Changes to the framework for approving capital (including borrowing, disposals and capital acquisitions) to the Institute and its Crown entity subsidiaries

49. As discussed with you, section 192(4) of the Education Act 1989 requires TEIs to have the written consent of the Secretary before the exercising their powers to sell assets, mortgage assets, grant leases, or borrow money. This reflects the Crown's interest in TEI assets being managed wisely and ensures Crown oversight when TEIs makes significant changes to their asset base or wish to borrow. However, this framework does not cover decisions by TEIs to invest. Recent interventions in ITPs, particularly in Whitireia Community Polytechnic, was due to poor investment decisions that placed the institution at risk and required substantial Crown funding to keep it operating.
50. The recommendations below turn what was discussed through the annotated agenda process into a more generalised form suitable for legislation. For example, it does not refer to a specific threshold for capital projects (in the annotated agenda, a threshold of \$15m was specified).
51. It is recommended that you:
- a. **agree** to amend the Act to the effect that, in addition to the existing powers under section 192 of the Act, the Institute and its subsidiaries must obtain the Secretary's approval for capital projects:
 - i. that are not within a capital plan approved by the Secretary
 - ii. meet or exceed any thresholds published by the Secretary for this purpose,
 - b. **confirm** that the stocktake by an independent third party and development of the Institute's capital assets strategy should be a task for the establishment unit

AGREE / DISAGREE

CONFIRM / DISCUSS

3h. Technical issues with regard to Agency roles, e.g. (but not restricted to) the New Zealand Qualifications Authority and Tertiary Education Commission

52. A large number of technical issues will need to be worked through, for example, to transfer various arrangements, including quality assurance (e.g. to deal with fees chargeable to NZQA, accreditations, programme approvals, consents to assess and external evaluation and review results), international visas and other matters.
53. It is recommended that you:
- a. **agree** that where required, legislation deems existing approvals applying to current ITPs (such as quality assurance, programme accreditations and similar) as approvals that apply to the Crown entity subsidiaries of the Institute.

AGREE / DISAGREE

Item 4: Detailed decisions – RoVE transitions

4a. Transfer of functions from ITOs to WDCs and providers via holding organisations during a fixed transition period

54. As noted in the RoVE Cabinet papers, holding organisations will be formed from ITOs to enable a phased and well-managed transition of ITO functions to WDCs and providers.
55. These holding organisations would be recognised by the responsible Minister to undertake certain ITO functions, such as supporting work-based training and setting standards, for the length of the transition period (i.e. until the end of 2022). This would not be the same recognition process that ITOs must currently go through, and the specific functions a holding organisation is

recognised for may be tailored on a case by case basis (e.g. the holding organisation may represent more than one of the existing ITOs).

56. Where a holding organisation is recognised to deliver many of the same functions as an existing ITO (or ITOs), that organisation will be able to continue to brand themselves as that ITOs (or those ITOs) for the period of transition.
57. These holding organisations would need to have the statutory powers and functions of the current ITOs at the point they are recognised by the responsible Minister. However, the conditions of recognition will need to be tailored to reflect the transitional period that applies to holding organisations.
58. It is recommended that you:
- a. **note** that Cabinet will be asked to agree that during the transition to provider support for work-based learning, that holding organisations (formed from ITOs) would be recognised for a period to continue to provide industry training functions with associated new recognition conditions
 - b. **agree** that during the transition of other current ITO functions to WDCs (such as standard setting), that holding organisations would be recognised for a period to continue to provide these functions

AGREE / DISAGREE

- c. **agree** to provide in statute for the continuation of the "arranging training" function and other current ITO functions by industry, until no later than the end of the 2022 calendar year, through a holding organisation or organisations recognised by the Minister

AGREE / DISAGREE

- d. **agree** that holding organisations have similar powers and functions to the existing ITOs, but that these can be tailored, as required, to reflect the transitional period that applies to the holding organisations

AGREE / DISAGREE

- e. **confirm** your intention to work with industry with the aim of establishing a holding organisation(s) that would protect the interests of employers during the transition period

CONFIRM / DISCUSS

- f. **confirm** that, to enable the transition of arranging training, that transitional provisions in statute allow for the transfer of responsibility for trainee and apprentice training agreements (linked to an employee's employment agreement) from a recognised ITO to any organisation recognised by the Minister for the purposes of providing the 'arranging training' function during the transition period (i.e. holding organisation), and then to education providers upon transfer of this function.

CONFIRM / DISCUSS

- g. **confirm** that the Act should establish a temporary power, for the length of the transition to the reformed system, for the Minister to direct funding to specific organisations, where it is in the national interest to do so, and linked strongly to the needs of the transition

CONFIRM / DISCUSS

Process for removing recognition of holding organisation

59. *Standard setting* – at the point when an industry is covered by a WDC for the standards-setting functions, the holding organisation would lose its 'standards-setting' function for that industry, but would continue with the standard-setting function for other industries within its area of coverage. The holding organisation would also continue its 'arranging training' function. This will need to be reflected for each industry within the holding organisation's coverage, since WDCs may have a different range of coverage as the holding organisation (if this coverage is based on current ITOs coverage).
60. *Arranging training* – the 'arranging training' function would transfer from holding organisations to education providers at some point during the transition period – i.e. from when the Reform Bill comes into force until the end of 2022. While every attempt will be made to transition all of a organisation's arranging training function at the same time, this may not always be possible (depending on provider capability). Therefore, in this situation a holding organisation may transfer some of its arranging training functions to a provider, while continuing to deliver arranging training for other industries within its area of coverage.
61. A holding organisation would cease to be recognised by the Minister when:
- a. all standard setting functions have transferred from that holding organisation to appropriate WDCs, and
 - b. all arranging training-related functions have transferred from that holding organisation to appropriate providers.
62. It is recommended that you:
- a. **agree** that once a WDC has been formed, with coverage of an industry within the scope of coverage of a holding organisation, the holding organisation will lose the function of 'standards-setting' for that particular industry, but not the "arranging training" function
AGREE / DISAGREE
 - b. **agree** that when responsibility for "arranging training" for all industries within the coverage of the holding organisation has been transferred to education providers, and a relevant WDC has been established, the holding organisation would cease to be recognised by the Minister
AGREE / DISAGREE
 - c. **note** that the new recognition conditions for holding organisations will clarify the above intentions.

4b. Interventions and Monitoring Framework for the Institute's Crown entity subsidiaries

63. In our earlier annotated agenda of 1 May, we noted that the current interventions and monitoring framework for ITPs was mostly fit for purpose but that some modification would be needed to account for the scope, size, and unique nature of the proposed Institute [METIS: 1187910]. This included:
- a. a revision of risk criteria so that the TEC could act earlier rather than having to wait for a "severe" risk before taking action
 - b. monitoring of a wider set of risk indicators as standard (not just financial, but educational and governance as well)
 - c. Council and sub-committee reports supplied to agencies on a standard basis (rather than on demand in response to a risk situation)
 - d. other reporting and internal information to be supplied on request as is required and reasonable, without limiting requests to the institute being at risk

64. It was concluded that the above measures together with existing intervention powers around the use of improvement plans, crown observers, and statutory managers should be sufficient in terms of identifying and responding to risk issues should they arise.

Crown entity subsidiaries

65. Through the 31 May annotated agenda, you agreed to the use of Crown entity subsidiaries as part of the establishment process for the Institute. We have since sought additional legal advice as to the application of the proposed intervention framework to the subsidiaries of the Institute (i.e. the current ITPs).
66. We propose that the legislation ensure that where appropriate obligations of the Institute and its Council would apply to each of the Crown entity subsidiaries. For example, to avoid doubt, that the Crown entity subsidiaries would be required to meet reporting requirements (usually to be supplied via the Institute's Council but conceivably this could initially remain separate for a time initially). However, other obligations, e.g. to operate an academic board, would not be required as this requirement transfers to the Institute (which may choose to operate local academic committees for a time).
67. It is also proposed that a deliberate link be made in the legislation between powers for the Crown to intervene and the Crown entity subsidiaries. Currently it is legally doubtful that the interventions powers could extend to the performance of or risks associated with the subsidiary of a TEI. As discussed, this starts with the ability of the TEC to collect information about the subsidiaries. We propose the Crown has the power to intervene directly at the subsidiary level because of the performance and/or level of risk in a subsidiary.
68. In doing so, it will be important that the Institute's Council has the responsibility to manage issues in the first instance. Failure to manage risk in the subsidiaries could indicate issues that require addressing with the governance or management of the Institute's Council itself. However, in the establishment phase, systems for managing the national network of the Institute may be developing or remain untested. Therefore, as set out in section 3g, we propose that the Crown has the power to intervene directly in the subsidiary if needed. This includes for the TEC to request information directly from a subsidiary, although gathering information through the Council itself would be the preferred approach.
69. Officials consider that appointment of a Commissioner is not needed for subsidiaries as it does not fit with the approach to governance under the Companies Act. Instead, the use of a Crown manager would achieve the intention behind the appointment of a Commissioner as well as the appointment of receiver or liquidators which is the norm for a company in strife.

Managing behaviours

70. Aside from the above interventions framework, the functions of the Institute's Council will be further supported by a series of controls coming out of legislation:
- a. the ability of the Council, as the parent entity, to appoint the directors of each subsidiary
 - b. the ability of the parent to set the constitution of those subsidiaries and ensure they work to the same goals and objectives as the Institute
 - c. provisions within the Companies Act regarding the duty of directors appointed to wholly-owned subsidiaries (i.e. that they may act in the interest of their parent entity)
 - d. the ability of the Council to remove directors as they see fit.
71. As noted in the annotated agenda, officials believe soft levers, together with sound governance and a solid working relationship, should provide a more effective way to monitor and manage risk at the Institute going forward. Overall, the proposed interventions framework together with management and legislative settings should provide a balanced structure that allows the effective delivery of distributed education services across individual regions and workplaces as

envisaged by the reforms, but still provides a vehicle for the consolidation of some organisational and academic functions as well.

72. The State Services Commission (SSC) has proposed an additional control, which is to require at least half the directors on each transitional subsidiary board to be employees or Council members of the Institute. This would ensure that the boards are acting consistently with the direction of the parent Institute. There is a risk with this proposal due to the perception in the regions of a loss of local influence over their regional delivery, and what this might signal in terms of the degree of local decision making the regions will have once the Institute has determined its business model.
73. We support the Institute maintaining strong oversight of the subsidiary boards. It can appoint additional directors for this purpose if the need arises. If you are of the view that the Institute requires additional controls over its crown entity subsidiaries to those above, it remains an option to require as part of legislation that a proportion of the Council and staff of the Institute sit on the subsidiary boards.
74. It is recommended that you:
- a. **note** that through the legislative drafting process, we will ensure that appropriate controls are applied to subsidiaries of the Institute
 - b. **agree** that the Crown interventions framework allow for the Crown to intervene because any of the Crown entity subsidiaries of the Institute meet the risk thresholds in the criteria set by the Secretary
- AGREE / DISAGREE
- c. **agree** that the Crown and TEC have in reserve a power to intervene at the Crown entity subsidiary level, to manage urgent issues that the Institute is not satisfactorily managing itself, or upon the request of the Institute
- AGREE / DISAGREE
- d. **note** that a supplementary option is to require a minimum proportion (e.g. at least half) of the directors on each transitional subsidiary board to be employees or Council members of the Institute
 - e. **note** that Education officials consider that the existing ability for the Institute to control its subsidiaries should be sufficient (i.e. through appointments and removal of directors, setting the constitutions of the subsidiaries, additional provisions from the Crown Entities Act to direct the behaviour of subsidiaries, and companies Act provisions that make directors of wholly owned subsidiaries act in the interests of their parent entity), and that Council members need to be able to focus on the consolidation of the Institute
 - f. **indicate** whether to include the additional control for the transitional subsidiary boards' directors
- AGREE / DISAGREE
- g. **indicate** whether you would like to specify that (for example) 'up to half' of the members of subsidiary boards will be regional representatives, as a way of demonstrating commitment to considering regional voice.

AGREE / DISAGREE

4c. Grand parenting of existing qualifications under individual current ITP brands

75. A number of students within the ITP sector have enrolled with relevant ITPs with the expectation of graduating from that specific TEI. In addition, feedback received from students from specific ITPs over the consultation period indicated that this was an issue of importance to them.
76. We propose that the subsidiaries of the Institute (i.e. that were the current ITPs) are able to continue to award qualifications under their individual brands for a period of three years, from 1 April 2020.
77. As part of the establishment process, the subsidiaries would inherit the programme approvals and accreditations of their corresponding ITP. This means they would have the ability to continue delivering and awarding qualifications on the same basis as the legacy ITP. Added to this, the Institute would be granted the ability to issue these qualifications as either the individual branded subsidiaries or the Institute as a whole.
78. In short, a dual-qualification approval process would operate for a short time during a transitional period. During this period, learners will be able to opt whether they wish to be able to receive their qualification under the brand of the Institute, or from one of the legacy regional brands. During this time, it is expected that the Institute will determine its long-term approach to branding, and the extent to which legacy regional brands are a valuable part of that or not.
79. It is recommended that you:
- a. **agree** that individual Crown entity subsidiaries of the proposed Institute can continue to award qualifications under their individual brands, for as long as they exist (i.e. up to 2 years, extendable by the Minister)
 - b. **note** that the Institute will determine its long-term approach to branding and the extent to which legacy brands are a valuable part of that.

AGREE / DISAGREE

4d. Treatments of visa status of international students (involving Immigration New Zealand) of the Institute and its subsidiaries and treatment of foreign workers undertaking short-term study

80. You agreed through the 9 May annotated agenda that foreign workers on temporary work visas who are required to undertake short-term training courses for the purpose of work should be deemed 'domestic students'. This would not incur any significant public costs because only a handful of short courses attract public funding, but it would mean that the pastoral care requirements for international students would not apply.
81. This annotated agenda also noted several technical issues that needed to be worked through by officials, such as ensuring that international learners whose visas are tied to a specific ITP would maintain their visa status when the single Institute is established.
82. It is recommended that you:
- a. **confirm** that foreign workers on temporary work visas undertaking short-term training courses for the purposes of work, as required by their employer, should be deemed 'domestic students' and that legislative change for this is not required
 - b. **note** that the MoE and NZQA will work with MBIE and Immigration New Zealand to ensure international learners whose visas are tied to a specific ITP will maintain their study eligibility when the single Institute is established.

CONFIRM / DISCUSS

Annotated Agenda – Supplementary issues following Cabinet decisions on RoVE

Reform of Vocational Education

Attendees	Minister of Education, Hon Chris Hipkins
	Other Ministers to be confirmed
	Officials to be confirmed

This annotated agenda informs you about the planning for the Reform of Vocational Education (RoVE) beyond Cabinet decisions on 22 July. It provides information about the announcement arrangements (directly below) as well as other planned work.

Item 1: Announcement Arrangements

1. We have discussed our announcement approach with your office, and are working with your office to arrange a suitable announcement date in the late July or early August.
2. The RoVE announcement may be close to any media coverage of the Judicial Review process. The High Court dates for the Judicial Review are 22 and 23 July, but it is not possible to know when the Judicial Review decision will be made public.
3. We have proposed that the announcement would be managed in three stages.
4. **A pre-announcement phase**, which would help to strengthen working relationships with key groups. This phase would include engagement to prepare for establishing advisory groups (see stakeholder engagement, below).
5. **The announcement phase**. We are working on a staged approach (similar to the consultation announcement), where Chairs and Chief Executives (CEs) of ITOs and ITPs receive a pre-briefing on the reforms. This will give these key stakeholders time to brief their own staff at the same time that the media are being briefed. This is intended to ensure confidentiality before the media announcement, whilst as far as possible addressing concerns raised following the consultation launch, that Chief Executives of organisations affected by structural change were not able to brief their staff in person.
6. We have suggested holding two morning meetings, one with Chairs and CE of ITPs followed by one with Chairs and CE of ITOs. These briefings would be followed later in the day by a media brief.
7. We are working on arrangements to give Chairs and CE the option to attend the morning meeting in person, or via video conference, and emailing the relevant materials to them. This would allow CE to attend the morning briefing and be with their staff later in the day when announcements are made public. Communications will be clear about which decisions are confirmed and those that are still subject to stakeholder engagement, and the transition processes and timelines.
8. The main collateral for the morning briefings would be the change documents and briefing packs that Chairs and CE can use to build communications tools for their staff and key stakeholders.

9. The collateral for the media brief later in the day would be the change documents, media statement and Frequently Asked Questions.
10. The RoVE page on Kōrero Mātauranga would go live while media are being briefed and would initially host the decision materials, such as the change documents, media statement and Frequently Asked Questions. We are planning to later move RoVE material to a new webpage at the TEC.
11. We will discuss the communications plan and materials further with your office and make the necessary arrangements.
12. We plan to align the proactive release of papers with substantial policy advice on RoVE with the announcement of Cabinet decisions. The papers would go on the RoVE Kōrero Mātauranga webpage. We will provide your office with the papers and suggested redactions for review late in the week beginning 1 July.
13. **Post-announcement ongoing engagement and communications**, which would allow you to further explain the vision for New Zealand, employers, learners and communities; as well as what it means for affected people in the short term and longer term.
14. We suggest putting an edited video of your announcement on the RoVE Kōrero Mātauranga webpage as soon as is practical after announcement day. This is similar to the approach taken at the launch of consultation, where the video received a high number of views.
15. Our communications approach would be to target to specific audiences where possible. Ongoing communications materials and activities we suggest include:

a. s 9(2)(g)(i)

b.

c.

d.

e.

f.

g.

Recommendations

16. We recommend that you:

Note that officials are discussing the communications plans with your office, and will make the necessary arrangements including an announcement date.

Noted

Item 2: RoVE Engagement

17. The RoVE consultation process has set a high bar for ongoing engagement, which we plan to build on in the next phase of the work. The relationships established in the pre-announcement phase will be formalised and expanded to ensure that the new system is designed to fulfil the outcomes expressed in the Cabinet paper.
18. We have made good progress in developing relationships with industry groups, economic development agencies and Chambers of Commerce. So far more than 40 organisations have responded to requests to be engaged in helping us to communicate the decisions on RoVE when they have been made. This will provide a network to reach more than 110,000 individual people in the greater business community.
19. We will continue to engage with stakeholders and partners to inform work on the transition and implementation. We will engage with key Māori and iwi leaders, including from business, wānanga and wider education sectors. We will build on connections created through the consultation and engagement process and Kōrero Mātauranga.
20. Our main communications medium will be a TEC webpage developed after the announcements and linked to the RoVE page on the Kōrero Mātauranga site. This page will provide ongoing information about the design and transition phase of RoVE. It will be supported by social media and traditional media channels, along with a monthly update in the TEC newsletter.
21. We had strong feedback that Māori and Pacific Peoples had not been able to see themselves in the consultation documents in terms of content, language used, and production values. We have applied this feedback to ongoing RoVE communications with a particular focus on the change document titled "Ma te ako ma te mahi ka ora -- Through learning and work we shall prosper". We will have information available in Te Reo Māori, Pacific languages, and simple English.
22. In addition to ongoing engagement during system design, we have already briefed you on the establishment of a Māori Crown Tertiary Education Group (working title: Te Taumata Aronui) and a Stakeholder Advisory Group.
 - a. The Māori Crown Tertiary Education Group will be established following Cabinet approval of the RoVE proposals. We are preparing for the appointment process, which will likely be through the Cabinet Appointments and Honours Committee (APH), and drafting a terms of reference which we expect the group to review for Ministers' final approval.
 - b. The Stakeholder Advisory Group does not require APH appointments, and can be set up by officials. We are mindful of ensuring we continue to get input from key stakeholders as the reforms are enacted, and are compiling a long-list of stakeholders that could represent the range of learner, employer and sector interests that came through consultation.

Recommendations

23. We recommend that you:

Note that work is underway to put in place arrangements for stakeholder and partner engagement in the next phase of RoVE.

Noted

Item 3: RoVE Governance Arrangements

24. The leadership arrangements for RoVE will continue from the first phase of the reform process, with joint work across the TEC and the Ministry governed by a Programme Board, and close collaboration with NZQA in key areas. As we move into the next phase, we will reconfigure the working arrangements below this leadership structure, to co-locate key functions that draw on the capabilities of both organisations (e.g. the Workforce Development Committee establishment work). We will continue to work closely with central agencies and MBIE, and provide regular updates to other interested agencies.

Recommendations

25. We recommend that you:

Note that work is underway to amend agencies' working structures for the next phase of RoVE.

Noted

Item 4: Establishment of the New Zealand Institute of Skills and Technology

26. The establishment unit for New Zealand Institute of Skills and Technology (the Institute) will sit within the Ministry of Education. It will be led initially by a "Director, Establishment Unit", although we plan that this responsibility transfer to the CE-designate of the Institute as soon as this individual can be appointed. We are working to set up the establishment unit by 1 September at the latest, and to set out the actions and priorities for the unit to undertake in order for the Institute to be governable and manageable on day one.
27. As set out in the fiscal implications Cabinet paper, \$31 million is sought for the first two years of the Institute's establishment (\$17.1 million in 2019/20 and \$13.9 million in 2020/21).
28. The TEC is providing you with separate advice on the set up of the Establishment Board, in preparation for an APH paper.

Recommendations

29. We recommend that you:

Note that work is underway to stand-up the Establishment Board and Establishment Unit for the Institute.

Noted

Item 5: Workforce Development Committees (WDCs) and arranging training

30. We are working on designing the overall process and detailed next steps for the establishment of WDCs and the transitioning of the Arranging Training function from ITOs to providers. The overall aims of this are to ensure that, at the time the legislation is passed and the Institute established:
- the formal process for establishing the first WDCs can be started immediately; and
 - there is a high degree of clarity for affected ITOs and providers as to how, to whom, and over what timeframes Arranging Training activities will be transitioned.

31. The steps to achieve this are as follows :

Process step	Indicative dates
Work with industry and employers to identify the natural groupings around which WDCs can be organised	1 August– 31 October 2019
Scope in detail the expected roles and functions, and the capabilities, resources and funding that will be required to give effect to these	1 November 2019 – 31 March 2020
Develop plans for transitioning existing capability, where relevant, from ITOs to WDCs	1 April 2020 to 1 August 2020 (staged for each WDC)
Begin the initial establishment work so that, for instance, Boards and ideally CEs and basic organisational functionality are in place at the moment the WDC comes into existence	1 June 2020 to mid-2021 (staged for each WDC)

32. The Cabinet papers propose appropriating \$1.7m in 2019/20 to meet start-up costs for WDCs in the first year.

33. For the transitioning of arranging training, a managed process involving industry, ITOs and providers will be required to:

- a. identify which arranging training activities will transfer to which providers, including which ITOs might to all intents and purposes convert to being providers;
- b. determine an appropriate approach for those transitions, and in particular whether they are effectively transfers of a functioning arranging training operation (including staff, supporting systems and assets, and relevant IP), or take place over a longer period of time through the gradual build-up of capability within new organisations;
- c. manage any due diligence requirements between the organisations (receiving providers in particular can be expected to require significant due diligence on those operations as a condition precedent to the transfer); and
- d. maintain the viability of the arranging training system through the period of transition.

34. It is particularly important that certainty of destination and process is provided as early as possible for ITO staff, in order to provide continuity of activity with employers and trainees.

35. Officials will report back to you later this year with more detailed proposals for the arranging training transition, following engagement with ITOs on the transition (and in particular on the technical issues to be addressed).

Recommendations

36. We recommend that you:

Note that work is underway to prepare the transition arrangements for WDCs and the arranging training function.

Noted

Item 6: Legislation

37. In order for the Vocational Education and Training Bill to be passed in March 2020, the Attorney General has approved PCO to begin drafting legislation.
- a. PCO has started work on the high level design considerations and has now received the first set of drafting instructions regarding WDCs. We are sending further drafting instructions as they are developed. Drafting instructions for the Institute will be sent shortly. (A separate Annotated Agenda covers the drafting of legislation in detail, METIS 1194893 refers).
 - b. We sent PCO the draft Cabinet paper following the Cabinet Social Wellbeing Committee meeting on Wednesday 26 June.
 - c. We will send PCO the report containing the details of the Ministers delegated policy decisions once it is approved.
38. We expect a draft Bill will be available for review in early August, in time for the Bill to be introduced to the House on 29 August.

Recommendations

39. We recommend that you:

Note that work is underway to support the drafting of the Vocational Education Legislation Bill, to be available for your review in early August.

Noted