



10 JAN 2020

Dear [REDACTED]

On 30 October 2019, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982, the following information:

- *All information including policy documents, briefings or aide mémoires, business cases, budget bids, service delivery models or program implementation information regarding the Education to Employment Brokerage Service led by MSD announced by Hon Chris Hipkins on 23 October 2019.*

On 13 November 2019, you were contacted in regards to the scope of your request and agreed on 19 November 2019 to change the scope of your request to the following:

- *All official briefings to Ministers and the Chief Executive of the Ministry including aide mémoires, memos and reports regarding the Education to Employment Brokerage Service, led by the Ministry of Social Development, announced by Hon Chris Hipkins on 23 October 2019.*

Please find the following documents attached:

- *Talking points: Employment brokerage services in RoVE proposal, dated 13 September 2019*
- *Talking points: Employment brokerage services in RoVE proposal, dated 20 September 2019*
- *REP/19/9/932 - Aide-mémoire: Raising the profile and strengthening the pipeline into vocational education, dated 23 September 2019*
- *Funding flowchart for externally provided regional services - Aoraki Development, dated 24 September 2019*
- *REP/19/9/969 - Aide-mémoire: Cabinet Meeting: Raising the profile and strengthening the pipeline into vocational education, dated 27 September 2019*
- *Memo: Education-to-Employment Brokerage Service, dated 7 October 2019*
- *REP/19/10/1051 - Aide-mémoire: Announcement of the Education-to-Employment Brokerage Service, dated 22 October 2019*
- *REP/19/11/1094 - Report: Education-to-Employment Brokerage service, dated 8 November 2019.*

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Some information is withheld under section 9(2)(f)(iv) of the Official Information Act as it is under active consideration. The release of this information is likely to prejudice the ability of government to consider advice and the wider public interest of effective government would not be served.

You will note that the names of some individuals are withheld under section 9(2)(a) of the Act in order to protect the privacy of natural persons. The need to protect the privacy of these individuals outweighs any public interest in this information.

You will also note that the contact details of some individuals have been withheld under section 9(2)(k) of the Act in order to reduce the possibility of staff being exposed to phishing and other scams. This is because information released under the Act may end up in the public domain, for example, on websites including the Ministry's own website.

Please note that in the document *Aide-mémoire: Cabinet Meeting: Raising the profile and strengthening the pipeline into vocational education, dated 27 September 2019*, a sentence on page one should refer to the Minister of Education rather than the Minister of Immigration as follows: *"To mitigate the risk of a decrease in vocational education participation, the Minister of Immigration has proposed four new initiatives."*

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public. The Ministry will do this by publishing this letter and attachments on the Ministry of Social Development's website. Your personal details will be deleted and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss the Education-to-Employment Brokerage Service further with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Yours sincerely



Justine Cornwall

General Manager, Employment and Housing Policy



Talking Points

Employment brokerage services in RoVE proposal

Minister Hipkins circulated a draft Cabinet paper entitled "Raising the profile and strengthening the pipeline into vocational education" and there are on-going discussions about which agency should have responsibility for the education-to-employment brokerage services proposed in the paper. This is on the agenda for the officials meeting with the Minister on Monday 16 September.

- MSD has a strong regional presence and established relationships with regional economic development agencies and employers. There are risks that confusion about the role of government agencies in this space will also be confusing or frustrating for employers and other labour market actors.
- MSD also has an established contracting model, including reporting and monitoring, which puts it in a good position to be involved in regional development opportunities.
- The Cabinet paper provides an example of a successful education-to-employment brokerage model run by Aoraki Development, the Economic Development Agency for South Canterbury. Funding for this model comes from MSD's southern region, along with funding under the Canterbury Regional Economic Development Strategy. If Ministers wish to explore opportunities to expand this existing model so that it is available in all regions, we believe it is logical for MSD to be funded to do so, rather than shifting funding to another agency.
- This paper raises questions about the role of different agencies in employment services, in this case between MSD and the Ministry of Education. However, in the longer term there is a question for government about the role different agencies should play in relation to employment, particularly between MSD, the Ministry of Education, and the Ministry of Business, Innovation and Employment (MBIE).
- As the Minister has agreed as part of work on the welfare overhaul, MSD is seeking to play a more active role in broader employment outcomes and long-term economic development, which includes working with people at different stages of their employment and not only when they walk through MSD's doors.
 - We would be interested to discuss the Minister's view of how she sees MSD's role in employment in this particular case, as well as more broadly, as we anticipate this type of issue will continue to arise as new initiatives are put forward.



Talking Points

Employment brokerage services in RoVE proposal

Minister Hipkins has submitted a Cabinet paper entitled "Raising the profile and strengthening the pipeline into vocational education" which will be discussed at the SWC meeting on 25 September 2019. There are on-going discussions about which agency should have responsibility for the education-to-employment brokerage services proposed in the paper. This is on the agenda for the officials meeting with the Minister on Monday 23 September 2019.

- The paper now has an Agency Comment included which outlines MSD's concerns with the education-to-employment proposal. It highlights that in our view, MSD are better placed to receive funding to expand their current services rather than establishing a new service. The agency comment is provided below for reference.
- We are working through the detail of which appropriation would be best suited to deliver this initiative on a national level, if Cabinet were to agree that MSD are to lead this service.
- MSD has a strong regional presence and established relationships with regional economic development agencies and employers. There are risks that confusion about the role of government agencies in this space will also be confusing or frustrating for employers and other labour market actors.
- MSD also has an established contracting model, including reporting and monitoring, which puts it in a good position to be involved in regional development opportunities.
- The Cabinet paper provides an example of a successful education-to-employment brokerage model run by Aoraki Development, the Economic Development Agency for South Canterbury. Funding for this model comes from MSD's southern region, along with funding under the Canterbury Regional Economic Development Strategy. If Ministers wish to explore opportunities to expand this existing model so that it is available in all regions, we believe it is logical for MSD to be funded to do so, rather than shifting funding to another agency.
- This paper raises questions about the role of different agencies in employment services, in this case between MSD and the Ministry of Education. However, in the longer term there is a question for government about the role different agencies should play in relation to employment, particularly between MSD, the Ministry of Education, and the Ministry of Business, Innovation and Employment (MBIE).
- As the Minister has agreed as part of work on the welfare overhaul, MSD is seeking to play a more active role in broader employment outcomes and long-term economic development, which includes working with people at different stages of their employment and not only when they walk through MSD's doors.

Ministry of Social Development comment

1. *With respect to initiative 3, establishing an education-to-employment brokerage service, MSD state they are better placed to receive funding to expand their current*

services, rather than establishing a new service and therefore do not support the proposal.

- 2. MSD currently has a strong regional presence, established relationships with regional economic development agencies and employers, and an established contracting model.*
- 3. There are risks that introducing another government service could be confusing or frustrating for employers and regional development agencies, and could lead to a duplication of services and investment.*

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Aide-mémoire



MINISTRY OF SOCIAL
DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA

Cabinet paper

Date: 23 September 2019

Security Level: Cabinet Sensitive

For: Hon Carmel Sepuloni, Minister for Social Development

File Reference: REP/19/9/932

Raising the profile and strengthening the pipeline into vocational education

Cabinet Committee	Cabinet Social Wellbeing Committee
Date of meeting	25 September 2019
Minister	Hon Chris Hipkins, Minister of Education
Proposal	<p>This paper seeks agreement to implement a suite of initiatives that will raise the profile and strengthen the pipeline of students coming into the vocational education system.</p> <p>We recommend that you do not support the proposal in its current form, and that you seek changes to Initiative 3 to either:</p> <ol style="list-style-type: none">1. agree that MSD is funded2. agree in principle to fund the brokerage service and delegate detailed decisions to key Ministers3. agree to remove the brokerage service from the paper <p>Further details of these recommendations are provided below.</p>
Background	<p>The paper outlines that increasing participation in vocational education will be critical through the reform transition period</p> <p>On 1 August 2019 the Minister of Education announced the reform of vocational education (RoVE), and his intention to create a strong, unified, and sustainable education system.</p> <p>Prior to the RoVE announcements, there had been a downward trend in enrolments in provider-based vocational education. This trend, combined with the disruption and uncertainty during the RoVE transition period (2020 until 2022), could lead to a further decrease in vocational education participation in the short-term.</p>

The paper proposes four new initiatives aimed at raising the profile and strengthening the pipeline into vocational education

To mitigate the risk of a decrease in vocational education participation, the Minister of Immigration has proposed four new initiatives.

There are two initiatives designed to raise the profile of vocational education so it is seen as a highly-desirable pathway:

- **Initiative 1** – An integrated marketing and promotion campaign to promote vocational education.
- **Initiative 2** – Events that connect schools, communities, and employers, including supporting the delivery of up to 140 careers events across the 2019/20 and 2020/21 financial years.

There are two additional initiatives designed to strengthen the pipeline to maintain and grow participation in vocational education:

- **Initiative 3** – A new education-to-employment brokerage service that involves funding up to 20 new brokerage positions based at regional Economic Development Agencies (EDAs).
- **Initiative 4** – Increased investment in Trades Academy and Gateway places, including funding for 2,000 additional Trades Academy places and 2,000 additional Gateway places from 2020.

These initiatives are designed to support participation in vocational education during the RoVE transition phase (2020 until 2022), and may not be required in the longer-term.

Key Issues

MSD supports the general intent of this paper but has concerns with the education-to-employment brokerage service

In general, the Ministry of Social Development (MSD) is supportive of the intent of the paper, to raise the profile and strengthen the pipeline for vocational education. However, we have concerns about Initiative 3 – the proposal to establish an education-to-employment brokerage service. In our view, MSD would be better placed to receive funding to expand their current brokerage services rather than establishing a new service.

We understand you suggested these changes be made to the paper throughout the ministerial consultation process, however these were not included. Following Ministerial consultation, the paper now has an MSD Comment included which outlines our concerns with the education-to-employment proposal.

New funding for an education-to-employment brokerage service could sit better with MSD instead of the Ministry of Education

In our view, funding for this type of brokerage service would sit better with MSD for the following three reasons:

- **Risk of confusion and duplication** – MSD has a strong regional presence and established relationships with regional economic development agencies and employers. There are risks that confusion about the role of government agencies in this space will also be confusing or frustrating for employers and other labour market actors.
- **Consistency and alignment with existing funding/services** - MSD also has an established contracting model, including reporting and monitoring, which puts it in a good position to be involved in regional development opportunities. For example, the education-to-employment model highlighted in the paper is currently delivered by MSD.
- **Focusing on a broader employment pathway, rather than just vocational education** - While we understand the focus of the proposed brokerage service would be to drive participation in vocational education, it is difficult to separate vocational education from the definitive aim of equipping students for meaningful and sustainable employment. Accordingly, we consider that the focus should be broadened to support a fuller career pathway and that MSD is the agency best placed to fund this type of service.

The education-to-employment model highlighted in the paper is delivered by MSD

The Cabinet paper provides an example of a successful education-to-employment brokerage model run by Aoraki Development, the Economic Development Agency for the Timaru District. Further details of this initiative is included in [Appendix One](#).

Funding for this model comes from MSD's southern region, following initial funding under the Canterbury Regional Economic Development Strategy and with previous contracts in the Canterbury and Southern regions in 2018.

If Ministers wish to explore opportunities to expand this existing model so that it is available in all regions, we believe it is logical for MSD to be funded to do so, rather than shifting funding to another agency.

We recommend that you seek changes to the paper at the Cabinet Social Wellbeing Committee

We recommend that you **do not support** the paper in its current form, and suggest that you seek one of the following changes to the paper:

- 1. Agree that MSD is funded** to be the lead agency responsible for delivering the brokerage service.
- 2. Agree in principle to fund the brokerage service** and delegate to joint Ministers of Education, Social Development and Finance to determine which agency is best placed to lead this work.
- 3. Agree to remove the brokerage service from the paper** which leaves the opportunity for this to be included in a future paper.

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Responsible manager: s 9(2)(a) OIA , Community and Families Policy

Appendix One

Aoraki Development – My Next Move Initiative

MSD's Southern region have been working with Aoraki Development for the past two years, to develop My Next Move (MnM). This includes funding for a Youth Transition coordinator role and a web-based careers platform for school students.

The aim of the MnM project is to:

- build connections between local businesses, training providers and schools
- help young people understand the different career paths available to them
- facilitate a variety of industry and career activity days for students and teachers
- support local businesses understand how the education system works.

Target group

The target group is secondary school students:

- Year 9-10 students get exposure to business and industry through guest speakers in schools, industry sector days, industry expos and activity days.
- Years 11-13 connect with business and industry through the dual pathways programme, Gateway, work experience and business links.

Youth Transition coordinator

The Youth Transition coordinator is responsible for implementing the initiative in nine high schools in South Canterbury and providing young people with information on:

- career opportunities for local businesses and industries
- learning pathways to prepare for working in those opportunities
- transitioning from secondary school into those opportunities.

Web Platform

MnM web-based platform aims to support:

- Career Advisors to connect with Students
- local businesses to engage more directly with career advisors

The Ministry of Education (MOE) have been supportive of the MnM programme but do not sit on any formal advisory or governance groups, nor do they provide any funding.

Aoraki Development – Overview

Aoraki Development is the economic development agency for the Timaru District which aims to support economic development in South Canterbury. It is a Council Controlled Organisation of the Timaru District Council, that is run by an independent Board of Directors.

The Aoraki Development Board of Directors is predominantly made up of business owners, community and District Council representatives. There are no central government agencies represented on the independent Board of Directors.

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