

Education and Training (Grants—Budget Measures) Amendment Bill

Government Bill

Explanatory note

General policy statement

The Education and Training Act 2020 (the **principal Act**) establishes and regulates an education system that—

- provides New Zealanders and those studying in New Zealand with the skills, knowledge, and capabilities that they need to fully participate in the labour market, society, and their communities; and
- supports their health, safety, and well-being; and
- assures the quality of the education provided and the institutions and educators that provide and support it; and
- honours Te Tiriti o Waitangi and supports Māori–Crown relationships.

The principal Act was enacted on 31 July 2020 and repealed and replaced former education and training legislation with a simpler and more user-friendly legislative framework.

Section 548 of the principal Act provides for the Minister of Education to determine—

- general or discretionary grants paid to a service provider of a licensed childhood service:
- general or discretionary grants paid to a service provider operating a certified playgroup:
- discretionary grants paid to the management of a body corporate for establishing a licensed early childhood service or certified playgroup.

Those funding grants may be paid subject to any conditions the Minister specifies in writing when the grant is paid or earlier (section 548(5)(a)). Those funding grants

may be paid to be used for any purpose the service provider thinks fit, or for only the purposes that the Minister specifies in writing when the grant is paid or earlier (section 548(5)(b)).

This Bill inserts a *new section 548(5A)* to ensure that the conditions specified under section 548(5)(a) and purposes specified under section 548(5)(b) may—

- relate to matters that are, or include, employment conditions (for example, remuneration); and
- be specified to help achieve aims that are, or include, employment relations aims that may, but need not, also be specified by the Minister.

New section 548(5A) will apply to any grant paid after the commencement of the Amendment Act arising from this Bill.

Departmental disclosure statement

The Ministry of Education is required to prepare a disclosure statement to assist with the scrutiny of this Bill. The disclosure statement provides access to information about the policy development of the Bill and identifies any significant or unusual legislative features of the Bill.

A copy of the statement can be found at <http://legislation.govt.nz/disclosure.aspx?type=bill&subtype=government&year=2021&no=43>

Regulatory impact assessment

The Ministry of Education produced a regulatory impact assessment on 12 May 2021 to help inform the main policy decisions taken by the Government relating to the contents of this Bill. A copy of this regulatory impact assessment can be found at—

- <https://conversation.education.govt.nz/conversations/education-and-training-amendment-bill/resources/>

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 is the commencement clause. The Act will come into force on the day after the date on which it receives the Royal assent.

Clause 3 identifies the principal Act: the Education and Training Act 2020.

Part 1

Funding of certain early childhood services and certified playgroups

Part 1 inserts *new section 548(5A)*. *New section 548(5A)* ensures that conditions specified under section 548(5)(a) and purposes specified under section 548(5)(b) may—

- relate to matters that are, or include, employment conditions (for example, remuneration); and

- be specified to help achieve aims that are, or include, employment relations aims that may, but need not, also be specified by the Minister.

Part 2

Transitional, savings, and related provisions

Part 2 inserts *new Part 2* of Schedule 1. *New Part 2* contains *new clause 72*, which provides that *new section 548(5A)* applies to any grant paid after the commencement of this Act.

Hon Chris Hipkins

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Education and Training (Grants—Budget Measures) Amendment Act **2021**.

2 Commencement

This Act comes into force on the day after the date on which it receives the Royal assent.

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3 Principal Act

This Act amends the Education and Training Act 2020.

Part 1

Funding of certain early childhood services and certified playgroups

4 Section 548 amended (Funding of certain early childhood services and certified playgroups) 5

After section 548(5), insert:

- (5A) Conditions or purposes specified under subsection (5)(a) or (b) may—
- (a) relate to matters that are, or include, employment conditions (for example, remuneration); and 10
 - (b) be specified to help achieve aims that are, or include, employment relations aims that may, but need not, also be specified by the Minister.

Part 2

Transitional, savings, and related provisions

5 Schedule 1 amended 15

In Schedule 1,—

- (a) insert the Part set out in the Schedule of this Act as the last Part; and
- (b) make all necessary consequential amendments.

Schedule
New Part 2 inserted into Schedule 1

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Part 2
Provision relating to Education and Training (Grants—Budget Measures) Amendment Act 2021 5

72 Application of section 548(5A)

Section 548(5A) (as inserted by **section 4** of the Education and Training (Grants—Budget Measures) Amendment Act **2021**) applies to a grant paid under section 548 after the commencement of that Act (whether that grant was determined before or after that commencement). 10