

Regulatory Impact Statement

Options for improving the careers information service

Agency Disclosure Statement

This Regulatory Impact Statement has been prepared by the Ministry of Education. It provides an analysis of options to improve the careers information service to increase its effectiveness, help drive improvements in achievement for all learners, and strengthen post-study outcomes.

In November 2014, Cabinet directed the Ministry of Education to lead a review of Careers New Zealand [SOC Min (14)17/10 refers]. The Joint Ministers responsible for the review agreed to extend the scope to cover the careers system as a whole, particularly what it needs to achieve, and what future role the Government should play in the careers system.

Improving the careers information service is part of a wider package of proposals to improve the wider careers system, in particular to provide better support to young people at school. School facing options include publishing secondary school leaver destination data, strengthening the accountability of schools for preparing students for further study and employment, and exploring how to create greater flexibility for schools to deploy careers resources through Communities of Learning.

Provision of careers information is a significant lever that can provide a general level of assistance to the broadest reach of people, including young people still at school, those in tertiary education, and adults who have left the education system. Users of the careers system need information that is accessible, authoritative, and comprehensive. They also want to see a range of careers and learning pathways information to help them make decisions related to their future study and employment.

This Regulatory Impact Statement sets out the process undertaken by the Ministry of Education to identify and assess options for improving the careers information service to meet the Government's objectives, including the options considered, the rationale for selecting the preferred option, and the implications of implementing the preferred option.

The main gaps in our analysis are:

- Although Careers New Zealand was consulted in the initial stages of the review and options analysis, there has been no direct consultation with Careers New Zealand or schools on proposals presented in the Cabinet paper. Given the sensitive nature of some of the proposals, agency consultation has been limited to central agencies, the Ministry of Business, Innovation and Employment and the Tertiary Education Commission; and
- While the Ministry has a clear understanding of Careers New Zealand's focus, the breadth of its activity and the programmes it runs, there are uncertainties about its market penetration and the take up of its services. This will become clearer during the transition period, following Cabinet decisions, as detailed analyses of Careers New Zealand's operations are undertaken.

The Ministry of Education considers this document to be a fair representation of the analysis of the available options to improve the provision of careers information.

A handwritten signature in black ink, appearing to read 'Roger Smyth', with a stylized flourish at the end.

Roger Smyth
Deputy Secretary
Graduate Achievement, Vocations and Careers

15 August 2016

Executive summary

This Regulatory Impact Statement analyses five options to improve the careers information service to increase its effectiveness, help drive improvements in achievement for all learners, and strengthen post-study outcomes. These options range from an enhancement of the status quo, through to removing government funding and a fully private careers information market.

The options to improve the provision of careers information form part of a wider package of proposals that will address issues identified within the wider careers system, including how best to support young people at school to make good decisions on their future study and employment options. School facing options include publishing secondary school leaver destination data, strengthening the accountability of schools for preparing students for further study and employment, and exploring how to create greater flexibility for schools to deploy careers resources through Communities of Learning.

Status quo and problem definition

Status quo for the provision of a careers information service

The New Zealand careers system is characterised by a mix of centralised and devolved careers services. A number of government agencies, all secondary schools and some non-government organisations have roles in the system.

Employers, as both customers and information providers, both individually, and through representative bodies, also provide careers information. Private providers, such as SEEK or recruitment agencies, provide easily accessible careers information and advice to users, such as how to apply and interview for a job.

Careers information is accessed by a large number of users, including young people and those that support them, adults seeking employment and/or a career change, as well as schools and tertiary education providers.

There are several Government agencies involved in the creation and dissemination of the data that underpins the careers information service:

- Careers New Zealand is the Government's careers agency, and has a broad mandate across the careers system (see below).
- The Ministry of Education plays a role in not just the provision of careers-related information, but across the careers system. It is the lead policy agency, with information provision functions, as well as implementation functions across schooling and transitions from secondary schooling to employment and/or tertiary study.
- The Ministry of Business, Innovation and Employment (MBIE) has the lead role in labour market policy and produces information on skills, jobs and employment. It produces the Occupational Outlook, a publication aimed at young New Zealanders as they consider careers and study options. It also provides information to other agencies, including the Tertiary Education Commission (TEC), to help it inform its investment decisions.
- The TEC funds tertiary education providers, publishes education performance indicators that prospective learners can use to compare course and qualification

completion rates, and progression and retention rates across different tertiary education organisations.

- The New Zealand Qualifications Authority provides online resources that enable learners to compare credits across different qualifications, and draw on personalised education information to track their NCEA progress.
- The Ministry of Social Development (MSD) works to improve education, training and employment outcomes for working-age adults in receipt of a benefit, and young people not currently engaged in education, training or employment.
- The Education Review Office (ERO) is responsible for quality assurance in the school system. It reviews schools' effectiveness, highlights good practice and publishes national reports on current education practice, including careers advice and guidance.

Careers New Zealand is a standalone agency with a broad range of statutory responsibilities. To deliver these functions, Careers New Zealand receives \$15.3 million per annum of Government funding through Vote Education. Careers New Zealand is governed by a Board of seven members, appointed by the Minister of Education, and is responsible for ensuring the legislative functions of the Crown Entity are carried out.

Under Part 22 of the Education Act 1989, Careers New Zealand's functions are to:

- establish and maintain a database of information about occupations and post-compulsory education and training;
- make that information available to the public and to institutions, private training establishments, students and other interested bodies and persons;
- provide –
 - training and assistance to persons who advise about occupations; and
 - careers advice and associated counselling relating to post-compulsory education and training;
- liaise with, and monitor the needs of, institutions, private training establishments, students and other bodies and persons with respect to –
 - information, training, and advice relating to occupations; and
 - career advice and associated counselling relating to post-compulsory education and training; and
 - to provide support services for the purposes of promoting transition education that prepares students for employment, or further education and training, or both.

The strategic focus of Careers New Zealand and the balance of its activities have changed over time. Its current focus is twofold: to provide open access careers information and advice through its website and associated online tools and phone service; and, to provide capability development to career influencers, such as schools, community organisations, and parents, families and whānau.

Although Careers New Zealand maintains some presence in the regions, it is largely a centralised agency with little face-to-face service provision. Its website serves as the main channel for providing different types of careers information, and direct advisory services are delivered through web chat, social media, phone and text messages.

The Ministry's review of the careers system

In November 2014, Cabinet directed the Ministry of Education to lead a review of Careers New Zealand [SOC Min (14)17/10 refers]. The Joint Ministers responsible for the review agreed to extend the scope to cover the careers system as a whole, particularly what it needs to achieve, and what future role the Government should play in the careers system.

The Ministry's review looked at how careers services are provided in other jurisdictions and whether the private sector could play a greater role in New Zealand's careers system.

The dominant business model in other jurisdictions is direct government funding, either to careers organisations (as in Australia), or via contract for service (as in the UK). Complete removal of government funding is likely to result in service delivery gaps (as in Canada).

The Ministry commissioned KPMG to examine the viability of a private and semi-private market in New Zealand. Although the New Zealand system has private provision already in the recruitment area of the market, where career services like coaching and counselling are packaged with recruitment services, the KPMG study concluded that a wholly private market beyond this recruitment area is not viable as there are insufficient incentives to enable the commercialisation of careers information.

This report, and evidence of poor provision in jurisdictions with low government funding, led us to conclude that continued government investment in careers services is necessary. However, because New Zealand's investment in careers information provision is relatively low compared to the UK and Australia, it is important we get the best impact and value for money out of the investment the Government makes.

Problem definition

The Ministry's review of the New Zealand careers system identified the characteristics of an effective careers system as follows:

- all users have open access to high quality, comprehensive and objective careers information and self-directed advice tools to support their decision making;
- children and young people receive high quality and timely careers education linking teaching and learning to the application of skills, knowledge and competencies in the labour market;
- careers guidance is available to those who need extra support with decision making, e.g. at-risk students and those facing barriers to employment; and
- strong connections between education providers (both schools and tertiary providers) and employers support teaching and learning, and provide opportunities for experimental learning and coherent pathways to further study and employment.

The review found that there are currently a number of barriers to achieving the effective careers system outlined above.

There is fragmentation and duplication of effort and information across government agencies, which is impacting the ability of the system to provide clear and coherent advice to students.

Connections between educators and employers are not always strong enough to support successful transitions. This can lead to graduates finding their skills are not well-matched to labour market needs, and employers struggling to fill key roles. For example, as we have moved out of the global financial crisis more and more employers are reporting that they are struggling to attract people with an appropriate range of both specific and transferable skills.

Another barrier that the review identified was students not being advised of the pathways available to them early enough in their education. Research shows that students who are supported to think about their tertiary education and employment options from a young age, are more likely to make well-informed decisions which have positive outcomes.

These problems are not only barriers to an effective careers system, they also mean the Government is not getting sufficient value for money for its investment in the provision of careers information.

Objectives

The Government's objective in reviewing the careers information service to ensure it is effective in driving improvements in achievement for all learners and in strengthening post-study outcomes. More specifically, that:

- all users have open access to high quality, comprehensive and objective careers information and self-directed advice tools which support effective career-related decisions;
- instances of fragmentation and duplication of effort and information across agencies are reduced;
- the impact of careers information is increased to help make pathways into further study and employment clear and coherent; and

- the Government is getting value for money from its investment in the provision of careers information.

Options and impact analysis

This regulatory impact analysis considers a number of options to address the issues identified with the current careers information service. The analysis extends to models for private provision and innovation in careers services, through to an enhancement of the status quo. The five options are outlined below.

Option 1: Continue the status quo with enhancements

This option effectively means no structural change in how the careers service is currently delivered. Careers New Zealand would remain as the specialist agency providing careers information to users, delivering its mandated functions. Other agencies would continue to provide the data that underpins the careers information service.

Within this option, we also looked at some enhancements that could be made, including:

- appointing Careers New Zealand as the 'lead' agency within its existing legislative mandate, for all non-policy setting aspects of the careers system; and/or
- directing Careers New Zealand to become more commercially self-sufficient by increasing its fee-for-services and products, and, over time, become less reliant on Crown funding.

Assessment of option against objectives

Objective	Assessment
Access to quality objective careers information with self-directed advice tools	Retaining the status quo partially meets this objective. The Careers New Zealand website is considered by users to be a trusted repository of careers-related information and receives around 4 million visits each year. Careers New Zealand also has plans to introduce more innovative tools and resources in the future, something which could be encouraged by directing Careers New Zealand to become more commercially self sufficient. However, the current service lacks the more sophisticated 'smart' online tools seen in other jurisdictions, which filter information and give tailored advice to individual users.
Reduces fragmentation and duplication of effort amongst agencies and increases synergies between different parts of the careers system	Fails to systematically address the duplication of effort by agencies. Appointing Careers New Zealand as the lead agency could create an even greater disconnect with the Ministry of Education, which is the policy lead agency and provides operational support for schools.
Increases the impact of careers information to help make pathways into further study and employment clear and coherent	Retaining the status quo, while appointing Careers New Zealand as the lead agency for careers, could increase the impact of initiatives currently undertaken by other agencies. For example, it could increase the reach of the Ministry's Youth Guarantee initiative, as Careers New Zealand's webpage, which has high user traffic,

	<p>would play a greater role in promoting this and other initiatives.</p> <p>However, the lack of fundamental change to how the careers system operates, and continued fragmentation of careers information and overlap between the work of agencies means that the status quo, with enhancements, only partially meets this objective.</p>
Provides the Government with value for money from its investment in the provision of careers information	<p>Retaining the status quo, while directing Careers New Zealand to become more commercially self-sufficient could provide the Government with improved value for money from its investment. For example, consolidation and economies of scope could be achieved through Careers New Zealand's ability to generate new retail products from its data aggregation function, at a relatively low marginal cost.</p> <p>However, moving to this type of model would require time before sufficient alternative income could be generated to achieve those savings. Currently third party funding makes up a very small proportion of CNZ's overall income.</p>

Impacts

Retaining the status quo means there is:

- no legislative or regulatory change;
- no machinery of Government implications, as agencies would continue to have the same functions and responsibilities as they do now; and
- no service disruption, and minimal service disruption if one of the enhanced options is implemented.

Enhancing the status quo (option one) would not lead to a significant change in how careers information is currently provided and does not sufficiently meet the objectives identified in the review.

Option 2: Careers New Zealand specialises in careers information only

Under this option:

- Careers New Zealand is given a strong and singular focus to provide open-access careers information and advice to users, through channels that reach as many users as possible;
- Careers New Zealand would no longer:
 - have a direct role in supporting schools and those functions would be removed from its legislative mandate; and
 - work on strengthening the education and employment connections would be lost;
- other agencies would continue to provide the data that underpins the careers information service.

Assessment of option against objectives

Objective	Assessment
Access to quality objective careers information with self-directed advice tools	<p>By focusing Careers New Zealand on information provision, this option would increase its ability to innovate. For example, through the introduction of a wider range of 'smart' online tools.</p> <p>However, the narrowing of Careers New Zealand's functions may result in gaps in service delivery.</p>
Reduces fragmentation and duplication of effort amongst agencies and increases synergies between different parts of the careers system	<p>Removing Careers New Zealand's role in supporting schools would help reduce the overlap and duplication of effort in this area. However, there would still be overlap between Careers New Zealand and other agencies in the provision of information, particularly since MBIE, the Ministry of Education and the TEC have all increased their involvement in the development and publication of information to help support learner study choices.</p>
Increases the impact of careers information to help make pathways into further study and employment clear and coherent	<p>This option partially meets this objective as Careers New Zealand would have a singular focus on information provision to:</p> <ul style="list-style-type: none"> • introduce a wider range of 'smart' online tools; • present the best possible careers information, in order to increase the impact of the information provided. <p>However, Careers New Zealand's work on strengthening education and employment connections would be lost, potentially undermining the impact of this work.</p>
Provides the Government with value for money from its investment in the provision of careers information.	<p>Narrowed functions would likely concentrate the budget and resources required to run the service, creating savings which could be reinvested in other parts of the careers system.</p>

Impacts

This option narrows the range of statutory responsibilities from those Careers New Zealand currently has to deliver, and allows the agency to concentrate on the provision of careers information. Narrowing the scope of Careers New Zealand would mean structural changes; however, legislative change would not be required immediately, as the narrowed role could be achieved through other mechanisms, such as the Letter of Expectations, Statement of Intent and/or funding changes.

Although Careers New Zealand would be retained, the narrowed functions would likely result in a reduction in FTE numbers within the agency (Careers New Zealand has approximately 102 FTEs¹). From a machinery of Government perspective, the scope and scale of the new functions may not justify the retention of a separate Crown agent or Board for the retailing of careers information only. Consideration would need to be given to the viability of retaining a separate agency, or transferring the service into another agency.

¹ Taken from the Careers New Zealand 2014/15 Annual Report.

The narrower role for Careers New Zealand may result in gaps in service delivery. However, the extent of Careers New Zealand's direct service provision is mainly through web chat, social media, phone and text messages and the open-access careers information, which anyone can access, would remain. MSD would also continue to provide advice and guidance to at-risk adults in the benefits system, through its case management processes.

Option 3: Disestablish Careers New Zealand and create a careers information service within the TEC

Under this option:

- Careers New Zealand would be disestablished;
- a careers information service would be created as a branded service within the TEC and would concentrate primarily on the provision of careers information and strengthening the education and employment connections;
- the Ministry of Education would have sole responsibility for supporting the school-facing areas of the careers system;
- other agencies would continue to provide the data that underpins the careers information service; and
- the current complement of Careers New Zealand staff, with the exception of the Chief Executive's role, would be offered employment by the TEC on equivalent terms and conditions through a process of offer and acceptance. The TEC would then have a period of six months, following the conclusion of the offer and acceptance process, to transition to the revised functions and plan how best to align resources.

Assessment of option against objectives

Objective	Assessment
Access to quality objective careers information with self-directed advice tools	The value of this option is that it consolidates in one place all of the information to assist users to make the best possible decisions about their future study and/or employment options. It also retains the Careers New Zealand brand, which users trust and would allow agencies to concentrate on and deliver in their areas of expertise, which is likely to lead to increased innovation across the careers system.
Reduces fragmentation and duplication of effort amongst agencies and increases synergies between different parts of the careers system.	<p>This option creates clearer accountability for agencies and reduces the duplication of effort and resources by agencies tasked with providing support to schools.</p> <p>Housing the careers service within the TEC is a good strategic fit and will strengthen TEC's impact in this area. From 2016/17 the TEC is implementing the publication of provider-level Employment Outcomes of Tertiary Education (EOTE), Rate My Qualification and Information for Learners. These initiatives will see it focus more strongly on providing students with the best possible information to make decisions on future study and employment options. This approach has a close connection to the careers information and advice</p>

	functions currently managed by Careers New Zealand.
Increases the impact of careers information to help make pathways into further study and employment clear and coherent	<p>There are many synergies created by choosing the TEC as the new home for a careers information service. The TEC has the ability to assist and leverage tertiary providers to provide better and more consistent careers advice to schools and CoLs. TEC will also use its careers funding to support coordination between schools, tertiary education providers and employers on the skill requirements and pathways for school students into work.</p> <p>This will enable the delivery of a seamless flow of careers advice for students through school, tertiary education and into employment.</p> <p>It will also help ensure that students are being supported to think about their tertiary education and employment options from a younger age, thereby increasing the likelihood they will make well-informed decisions which have positive outcomes.</p>
Provides the Government with value for money from its investment in the provision of careers information.	<p>Resources are more targeted, which creates efficiencies and prevents spreading resources across a large range of functions, as is currently the case.</p> <p>This option would free up a modest amount of funding which would be reinvested in careers services in schools.</p>

Impacts

This would require legislative change to disestablish Careers New Zealand and create a branded service within the TEC. There are options within the 2016 legislative programme to achieve this.

On enactment of the legislation, the Careers New Zealand Chief Executive role would be disestablished. Over time, the resources that support schools to offer careers services to learners that have been delivered by Careers New Zealand will be transferred to the schooling sector. The Ministry will engage with the schooling sector to work out how best to utilise these resources to support the provision of careers services in schools and Communities of Learning. This may result in changes to the location of staff and possibly some redundancies, following consultation with staff and their representatives.

By initially transferring all the resources, including staff, to the TEC, it is hoped that this will result in minimal service disruption for users. However, there may be some loss of experience and knowledge, if not all staff choose to transfer to the TEC.

Under this option, two of Careers New Zealand's current functions impacted under this proposal are:

- direct service to adults (over and above adults accessing generic careers information through the new careers service, and working with recruitment agencies); and
- delivery of professional development to careers advisors in schools.

The disruption to direct careers advice to adults would be minimised by recent welfare system reforms, in particular the shift to the investment approach, and the focus on an 'active' case management role. These changes have enhanced careers and employment advice, including seminars and job-matching to those most at-risk. MSD is also increasing its reach by targeting hard to reach groups (not necessarily on a benefit), including gang members, and are providing support to iwi group programmes.

The Ministry and the TEC will also work together to minimise service disruption to users, including schools, by ensuring that key resources and events, such as the publication of the Careers Benchmarks, and careers fairs, currently available to careers advisors, continue to be made available until the proposals to improve services in schools have been implemented.

As previously mentioned, there are a number of school-facing changes proposed as part of the careers review, that are linked to wider work programmes within the Ministry of Education. Analysis of these options will be undertaken separately.

Option 4: Implement a private commissioning model and disestablish Careers New Zealand

Under this option:

- the careers information service is provided by the private sector;
- Careers New Zealand is disestablished;
- Government's primary role would be to contract careers information services with either a single or a range of providers, to enable a minimum guaranteed level of service;
- either MBIE or the Ministry of Education would be appointed as the lead agency to contract with the private provider(s). Given the primary focus on the provision of careers information for young people, it may sit best with the Ministry of Education; and
- other agencies would continue to provide the data that underpins the careers information service, with a view to ensuring that the information they produce, can be more easily utilised and packaged by the contracted providers.

Assessment of option against objectives

Objective	Assessment
Access to quality objective careers information with self-directed advice tools	<p>Under this option, Government would continue to provide the underlying careers information for retailing by private providers, ensuring that this information was of both high quality and objective.</p> <p>The introduction of private competition would likely increase innovation, as providers sought to attract students to their services.</p> <p>Private providers could also package information with other services for target customers, for example, Māori and Pasifika students, or at-risk adults.</p> <p>However, careers information may not be presented in a consistent form across providers, so may not be viewed as accessible or authoritative by users. There is also no certainty that any providers have the capacity or capability to maintain a careers service in New Zealand.</p>

	Incentives for innovation could also weaken over time as the nature of the contractual framework would limit the flexibility to change the nature of provision during the contract period, i.e. once the contract is finalised, there are limited incentives for providers to innovate in terms of developing new applications or tools.
Reduces fragmentation and duplication of effort amongst agencies and increases synergies between different parts of the careers system.	Creates clearer accountability for agencies and reduces the duplication of effort and resources by agencies tasked with providing support to schools. However, replacing Careers New Zealand as the dominant public provider, with a small number of private providers, could create problems of fragmentation.
Increases the impact of careers information to help make pathways into further study and employment clear and coherent	The introduction of more providers into the market, could increase innovation in the system and the ability of the system to target particular cohorts of learners, e.g. at-risk learners, thereby increasing the likelihood that they will make successful transitions. However, as discussed above, incentives for innovation could weaken over time, and problems with provider capacity could undermine the positive outcomes of increased competition.
Provides the Government with value for money from its investment in the provision of careers information.	There is potential for multiple retailers to drive competition and cost-savings and some cost savings are also likely from the disestablishment of Careers New Zealand. However, these savings would be off-set by the need to resource the commissioning function and pay private providers for the delivery of a careers information service. There is also a risk that no retail providers turn up, or only do so at a price that is greater than the current cost of provision.

Impacts

The most significant impact of this option would be the disestablishment of Careers New Zealand (this would require legislative change) and a shift in the role of government to procuring and managing contracts for service with non-government providers of careers services.

The disestablishment of Careers New Zealand would result in all of Careers New Zealand's current staff being made redundant and the loss of the experience and knowledge that these staff provide.

It would also likely lead to service disruption as it is unlikely that private providers would want to become involved until after Careers New Zealand has been disestablished.

Government would need to appoint a lead agency and transfer functions relevant to the commissioning and wholesaling of careers data. Procurement processes, service specifications and contract management processes would need to be developed by the lead agency.

Option 5: Implement a fully private market for careers information provision (no Careers New Zealand)

Under this option Careers New Zealand would be disestablished, with no alternative service provided by Government, other than the provision of the underlying data that private providers would use to package careers information.

Assessment of option against objectives

Objective	Assessment
Access to quality objective careers information with self-directed advice tools	A fully private market would struggle to meet this objective. With no Government oversight, there would be no control on the type and quality of the information provided, and whether user needs are fully met, and no guarantee that the information provided to students would be objective.
Reduces fragmentation and duplication of effort amongst agencies and increases synergies between different parts of the careers system.	<p>This option would reduce duplication of effort amongst agencies, both in careers information provision and school-facing activities.</p> <p>However, it could increase fragmentation as it is unlikely that careers information would be in one central repository and users would likely have to navigate through multiple websites to get the information they required, including needing to filter and assess information to determine whether the advice was objective.</p>
Increases the impact of careers information to help make pathways into further study and employment clear and coherent	<p>The greater use of private expertise and increased competition resulting from a fully private market for careers information could foster increased innovation and the ability of the careers system to target specific cohorts of learners.</p> <p>However, KPMG advise that there would be insufficient incentives to enable the commercialisation of careers information in New Zealand.</p>
Provides the Government with value for money from its investment in the provision of careers information.	<p>This option presents the lowest fiscal cost option for the Crown in that Government's only cost would be in the provision of the underlying careers data.</p> <p>However, as Government would have no control over how this data is used/presented, it does not necessarily represent good value for money.</p>

Impacts

This option has significant impacts, the most significant of which is the removal of a centrally provided government careers information service. This would require legislative change to disestablish Careers New Zealand. The disestablishment of a Crown entity means all of the FTEs currently employed by Careers New Zealand would be made redundant.

There would be disruption for users. The current service would cease to exist from the time the legislation came into effect, and there could potentially be a period of time where there was a gap in the delivery of any alternative service.

Complete removal of Government funding is also likely to result in service delivery gaps, which has been the case in Canada, and put pressure on other parts of Government, in particular MSD. If young people fail to successfully transition to further study and/or employment, and the tertiary education system as people fail to complete study and drop out, or find themselves moving to different courses/qualifications.

Summary of analysis of options

The five options presented range from retaining the status quo, through to fully removing Government funding and the provision of a careers service. The table below provides a summary of the extent to which each of the options meets the objectives for the provision of a careers information service.

Objective	Option 1	Option 2	Option 3	Option 4	Option 5
Access to quality objective careers information with self-directed advice tools	Somewhat meets	Somewhat meets	Fully meets	Somewhat meets	Does not meet
Reduces fragmentation and duplication of effort amongst agencies and increases synergies between different parts of the careers system.	Does not meet	Somewhat meets	Fully meets	Somewhat meets	Somewhat meets
Increases the impact of careers information to help make pathways into further study and employment clear and coherent	Somewhat meets	Somewhat meets	Fully meets	Somewhat meets	Does not meet
Provides the Government with value for money from its investment in the provision of careers information.	Somewhat meets	Mostly meets	Fully meets	Somewhat meets	Does not meet

Consultation

Given the sensitive nature of the proposals, consultation has been limited to central agencies, MBIE and the TEC. As part of the legislative change required to implement the preferred option, there will be opportunities for public consultation when the legislation is referred to Select Committee.

Conclusions and recommendations

Enhancing the status quo (option one) would not lead to a significant change in how careers information is currently provided and does not sufficiently meet the objectives identified in the review. Although it would result in minimal disruption to current service delivery and, leverages economies of scale generated within Careers New Zealand, it would not reduce the duplication of effort amongst agencies. There would also need to be a change in the

current business as usual model to increase innovation and increase the impact in the way careers information is presented in the future.

Of the alternatives to the status quo, Option 5 least meets the objectives of the review. Under this option the Government would have no control over the type and quality of the information provided to users and users would likely have to navigate through multiple websites to get the information they require, and filter and assess this information to determine whether it is objective. Also, any benefits arising from a fully private market (e.g. increased innovation) are likely go unrealised, given that, according to KPMG, there is a significant risk that that no provider would step forward to fill the gap left by Careers New Zealand.

Option two partially meets the objectives outlined in the review. Giving Careers New Zealand a single focus of providing careers information and directing it to introduce smart online tools that could be individually tailored to users, would increase the quality of careers information and the ability of Careers New Zealand to innovate to increase the impact of this information. Removing Careers New Zealand's role in supporting schools would also reduce the duplication of effort amongst agencies. However, this option could result in gaps in service delivery, most notably the loss of Careers New Zealand's work on strengthening education and employment outcomes. There would also still be an overlap between Careers New Zealand and other agencies in the provision of information to help support learner study choices. This option could be done without the need for immediate legislative change. However, from a machinery of Government perspective, the narrowed scope and scale of the new information-only functions may not be sufficient to warrant a separate Crown agency or Board.

Option four also partially meets the objectives of the review. Government would continue to provide the underlying careers information for retailing by private providers, ensuring that it was both high quality and objective and the introduction of private competition would likely increase innovation, as providers sought to attract students to their services. There would be clearer lines of accountability for agencies and less duplication of effort and resources by agencies tasked with providing support to schools. However this option has two fundamental weaknesses, careers information may not be presented in a consistent form across providers, so may not be viewed as accessible or authoritative by users. There is also no certainty that any providers have the capacity or capability to maintain a careers service in New Zealand.

Option three fully meets the objectives of the review. It consolidates in one place, all of the information learners and users of the careers information need to ensure they make the best possible decision on their future study or employment options. It creates clear lines of accountability for agencies involved in the careers system and would allow them to concentrate on and deliver in their areas of expertise, thereby leading to increased innovation across the system. Most importantly though, it will increase the impact of careers information by enabling the delivery of a seamless flow of careers advice for students through school, tertiary education and into employment. It also ensures that students are being supported to think about their tertiary education and employment options from a young age. This option does have significant machinery of Government implications, but the implementation plan (outlined below) will mitigate these as much as possible and ensure minimal service disruption for users and change management process for Careers New Zealand staff.

Implementation plan

The refocused careers information service within the TEC is intended to be operational from mid 2017 (subject to the passage of legislation). Between the legislation being enacted and the end of the transition period Careers New Zealand functions will continue while the changes to refocus the service are undertaken. The plan to implement the preferred option is set out below.

Both the TEC and Careers New Zealand will appoint change management project teams that will work together to help plan and manage the transition.

Legislative change will be required and there are options within the 2016 legislative programme to achieve this.

The legislation will:

- disestablish Careers New Zealand and repeal its functions;
- enable the transfer of Careers New Zealand's current employees, with the exception of the Chief Executive, to the TEC through an offer and acceptance process;
- enable the transfer of Careers New Zealand's current resources;
- enable the TEC to take over the careers functions ahead of implementing the narrower functions that would 'go live' on the delayed commencement date; and
- specify a transition period of six months, through the use of a delayed commencement date, to give the TEC time to transition to the narrower functions and plan how to align resources in advance of the actual transfer date;
- enable the reinvestment of any funding freed up by the refocusing of the careers service within the TEC to support careers services in schools.

This expedited transfer approach for implementation is recommended in order to limit the length of change management that Careers New Zealand staff would be subjected to, though it is recognised that the changes and potential redundancies may take longer to take effect. It will also minimise disruption to users of the services.

Monitoring, evaluation and review

The functions of the new careers information service will be transferred from one Crown entity (Careers New Zealand) to another (the TEC), and will mean a transfer of responsibility from the Minister of Education, to the Minister for Tertiary Education, Skills and Employment.

As part of its stewardship role across the education sector, the Ministry of Education assists the responsible Minister to oversee the performance of education-related Crown entities. This includes monitoring both Careers New Zealand and the TEC's performance (on a quarterly basis). If the preferred option is implemented, the Ministry of Education will incorporate the TEC's new functions into its advice on the health and performance of the Crown entity.

Once the transition to the new structure has occurred, and the changes have had time to bed in, we would expect to see improved education and employment outcomes for graduate and school leavers. This improvement could be monitored both through student destinations data, and through positive feedback from user surveys.