TR18.9483

MINISTRY OF EDUCATION
TE TĀHUHU O TE MĀTAURANGA

Education Report: Next steps for the VET system review

To:	Hon Chris Hipkins		
Date:	6 September 2018	**Priority:**	High
Security Level:	In Confidence	**METIS No:**	1151257
Key Contact:	Andy Jackson	**DDI:**	s 9(2)(a)
Drafter:	Kiri Heel	**DDI:**	
Messaging seen by Communications team:	Yes	**Round Robin:**	No

Purpose of Report

This note:

a. seeks to confirm your proposed direction of travel for the vocational education and training (VET) system review, as per our discussion with you at the institutes of technology and polytechnics (ITP) Roadmap 2020 strategy session on 28 August 2018

b. seeks permission for us to send the attached letter to the sector, updating them on the VET system review and sharing four A3s with key themes from our initial consultation.

This note has been prepared in close collaboration with the Tertiary Education Commission (TEC) and reflects their views.

Recommended Actions

The Ministry of Education recommends you:

Next stage of advice

a. **note** that the diagram in Annex 1 reflects our understanding from the discussion with you on 28 August of the direction of travel for the VET system review

Noted

b. **agree** that we develop further advice as per the diagram in Annex 1

Agree / Disagree

c. **note** that you will receive advice from the TEC on the future structure of the ITP sector at the end of September, and that this advice will take into account your intended direction of travel for the wider VET system

Noted

d.   **note** that we are considering options for a combined Cabinet process in October and November, and combined sector consultation process, for the VET system review and ITP Roadmap 2020, and we will provide you with further advice in October

Noted

Feedback to stakeholders

e.   **note** that we signal to the sector in the letter in Annex 2 that public consultation on the VET system review will begin in the first quarter of 2019
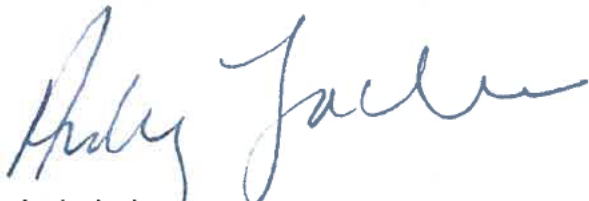
Noted

f.   **agree** that we send the letter and four A3s in Annex 2 to sector stakeholders to update them on the VET system review and share what we heard from our initial information gathering

Agree / Disagree

Proactive release

g.   **agree** that this Education Report will not be proactively released until you have agreed a consultation approach for the VET system review and ITP Roadmap 2020 with your Cabinet colleagues.

Agree / Disagree

Andy Jackson
Group Manager, Tertiary Education

_9 , 1 9_

Hon Chris Hipkins
Minister of Education

_17, 9, 18_

Background

1. We met with you and the TEC on 28 August 2018 for a strategy session about the ITP Roadmap 2020 project. The discussion also addressed VET system design issues. We want to confirm where we think that discussion landed in terms of the VET review, and get your agreement to us updating the sector.

Direction of travel for the VET system

Features of the model we discussed

2. At the strategy session, you discussed with officials how the roles of ITPs and industry training organisations (ITOs) could be reshaped. Annex 1 presents this view at a high level, with a focus not on ITOs and ITPs per se but on "standard-setting bodies" and "providers", representing a whole-of-VET-system approach.

3. The key feature of this model is that standard-setting bodies and providers play complementary rather than competing roles in the system:

   a. standard-setting bodies:

      i. provide the "bookends" to the system, setting expectations at the outset of the education and training process about the scope of knowledge and skills learners are expected to achieve (e.g. setting standards and designing qualifications), then assessing learners at its conclusion

      ii. take a mainly **national** focus, working with industry to understand national workforce needs, as well as what this means for specific regions where relevant (for example, dairying in Southland)

   b. providers:

      i. deliver education and training to enable learners to achieve the standards set by industry, with delivery being on-job or work-integrated where possible, including the arranging and support of industry training

      ii. host Centres of Vocational Excellence (CoVEs)

      iii. take a mainly **regional** focus, working with local employers to understand their workforce skill needs and adapting their mix of provision accordingly, and with local schools to attract students into VET.

4. Compared to the status quo, this model would involve boosting ITOs' standard setting and assessment roles, shifting ITOs' funding allocation role to TEC, and shifting their role in supporting learning in the workplace to providers. Providers would give up some elements of their standard setting and assessment roles. Other shifts in roles would depend on choices you make about detailed design elements.

Broad questions still to be answered

5. This leaves open the question of who provides employers and learners with unbiased advice on their education, training and employment options – a function currently spread across multiple players. We can consider this question with TEC and other interested parties in the context of the Career System Strategy, and provide you with further advice as required in due course.

6. It also leaves open the question of how best to manage foundation-, degree- and postgraduate-level delivery. The latter is something we will need to consider further for providers delivering both VET and higher education. s 9(2)(f)(iv)
   s 9(2)(f)(iv)

We seek your feedback

7.　We seek your feedback on this high-level model and your agreement for us to provide you with comprehensive advice about overall system change in VET in advance of public consultation. The model would require significant legislative change and a multi-year implementation pathway, though we may be able to get some "quick wins" early on as the sector begins to adapt itself to your proposed vision: for example, if CoVEs are established after Budget 2019. We will also advise you further on funding system reform and how this would interact with structural change.

We are considering options for a combined consultation process

8.　TEC will provide advice to you at the end of September 2018, via ITP Roadmap 2020, on the proposed future structure of the ITP network. That advice will take into account your proposed direction of travel for the wider VET system, given the significant crossover between the two reviews.

9.　We are considering how best to manage Cabinet processes across the two reviews in October and November 2018, including the development of bids for Budget 2019. We are also considering how to undertake a single co-ordinated public consultation process. We are also considering how to link consultation processes for different parts of the Education Work Programme. We will provide advice for you on this in October.

10.　We seek your agreement to signal to the sector that public consultation will begin in the first quarter of 2019.

11.　We will provide you with further advice later this month on our proposed next steps.

Updating the sector on the VET system review

12.　It is important that we keep sector stakeholders updated as the review progresses. When we undertook engagement in May and June, we indicated that consultation may occur later in 2018.

13.　We seek your agreement to release the letter and four A3s in Annex 2 to the sector, updating them on the VET system review and summarising the key themes of our initial consultation.
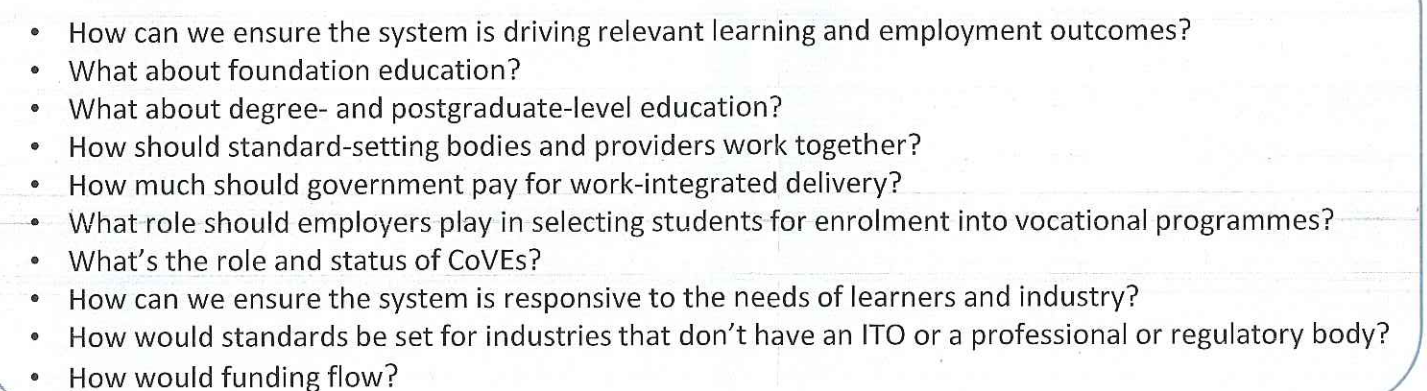
Release of this paper

14.　We do not recommend releasing this paper until you have discussed a consultation approach with your Cabinet colleagues.

Annexes

Annex 1:　Key roles and processes in a reshaped VET system

Annex 2:　Letter and four A3s to sector stakeholders updating them on the VET review

Annex 1: Key roles and processes in a reshaped VET system

Key roles (colours) and processes (arrows) in a reshaped VET system

KEY

Standard-setting bodies
- ITOs
- Occupational regulators: eg Plumbers, Gasfitters and Drainlayers Board
- Professional peak bodies: eg Engineering NZ
- Other standard setters

Could be sited with CoVEs

Providers
- ITPs (with strengthened links to sec. schools)
- Private training establishments & community education providers
- Wānanga

Some ITPs host CoVEs

One-front-door education-to-employment hub?
- Offers careers advice to learners – and training advice to employers?
- Contact point for broader regional services?
- Community facility?
- Independent/government service?
- Different approaches for different regions?

Could be sited at ITPs

Regional skills plans

... informed by regional employment initiatives

Industry leadership and standard setting
incl. setting expectations, qualification & skill requirements, outcomes, essential content

Programme design
What are the pros and cons of having multiple programmes for each qualification?

Forecasting industry workforce needs
at a national level (in conjunction with MBIE)

feedback loop

Identifying learners' and employers' needs
within a given region

Planning a **mix of provision** within a given region...

... and seeking TEC **funding** for provision

Advising employers
on training options for their staff

Advising learners
on their study and work options

feedback loop

Long-term employment, promotion or other desired outcome

Assessment and moderation
"Capstone" assessment at end of programme

Delivery
- Incorporating **Recognition of Prior Learning and Credit Recognition and Transfer** at the outset
- On-job or work-integrated wherever possible (whether pre-employment or industry training), including short bursts of learning (possibly leading to micro-credentials), **working with employers** to deliver on-job components
- Providing **pastoral care** to learners throughout
- With **formative assessment** throughout

Enrolling students
into programmes
(Should industry have a role in selecting students for pre-employment programmes?)

In this model, what might the ITP network look like?

TEC will provide advice via ITP Roadmap 2020 at the end of September about potential ITP sector structures. TEC's proposals are likely to encompass some or all of:
- "full service" ITPs as per current format, some hosting Centres of Vocational Excellence (CoVEs), potentially with standard-setting bodies co-sited at CoVEs
- Regional Ownership Model (ROM) ITPs for sparsely populated areas like the West Coast and Northland
- a central entity providing shared services to the network
- a specialist nationwide provider of non-blended distance education

Some big questions still to work through
- How can we ensure the system is driving relevant learning and employment outcomes?
- What about foundation education?
- What about degree- and postgraduate-level education?
- How should standard-setting bodies and providers work together?
- How much should government pay for work-integrated delivery?
- What role should employers play in selecting students for enrolment into vocational programmes?
- What's the role and status of CoVEs?
- How can we ensure the system is responsive to the needs of learners and industry?
- How would standards be set for industries that don't have an ITO or a professional or regulatory body?
- How would funding flow?

Annex 2: Letter and four A3s to sector stakeholders updating them on the VET review

[This letter would be modified in light of your feedback on the proposed process set out in this briefing.

The letter would be sent to the Industry Training Federation and ITOs, Charles Finny and ITP CEs, PTE peak bodies, Te Wānanga O Aotearoa, Business NZ, the Council of Trade Unions, Universities New Zealand, and the Tertiary Education Union along with organisations that the Ministry of Education has engaged with on the VET system review.]

I am writing to update you on the Government's review of the vocational education and training (VET) system.

Back in April 2018, the Ministry of Education released advice prepared for the Minister of Education on the scope of the VET system review. At that time we wrote to key stakeholders to tell you about what was happening.

Ministry of Education engagement with stakeholders

In our last letter we asked for your help in sharing the work on the VET system – to test out ideas, discuss what was missing, and identify the main opportunities you saw that would change the system for the better. Many of you have helpfully responded to that request.

Since then, we have visited a number of cities and towns around our regions (including Auckland, Napier, Hastings, Wairoa, New Plymouth, Hawera, Timaru, Dunedin, and Wellington) and met with learners, employers, education providers and their staff and union representatives. We also met with representatives from a range of peak bodies.

We saw some great examples of vocational education and training that really makes a difference for learners, employers and communities. We also saw the points of friction. We have summarised what we heard in four A3s – each one addresses one of the four themes of the VET review – and these are attached to this letter.

We also made use of the Education Summit to gather insights on the wider education sector's views about the VET system. And we made connections to other areas of the Government's education work programme (e.g. to gather schooling perspectives) and with the work of other government agencies.

What happened after the engagement process?

We reported to the Minister of Education in early July on our assessment of the state of the VET system, including a summary of stakeholders' views, and the policy challenges these raise. In providing that advice we took into account a range of other information including relevant research, developments in similar education systems internationally, and initial analysis of a new dataset focussed on VET.

Throughout this process we worked closely with the Tertiary Education Commission's project team involved in the ITP Roadmap 2020. This team is working with the network of ITPs on how they can operate more as a system and ensure a sustainable network.

What happens next?

Once the Minister and his colleagues have agreed to the scope of changes to be considered for the VET system, we will prepare a consultation report setting out the range of potential changes.
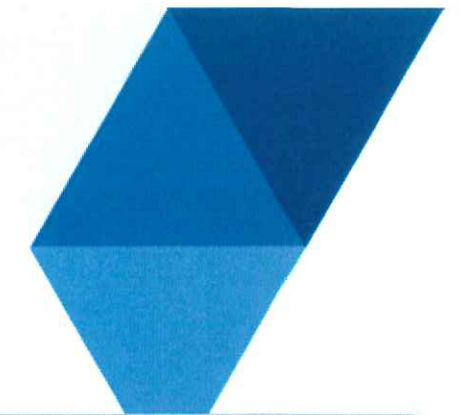
We will use the consultation report to support a more comprehensive public discussion about VET system change. This will include opportunities for in-person, online and written feedback. We would like to hear your views about what would make the VET system world class and what would raise the profile and esteem of the VET system in New Zealand.

We are aiming for this consultation process to begin in the first quarter of 2019.

Vic Johns (Policy Director, Graduate Achievement, Vocations and Careers) will continue to lead the VET system review through this next stage of the work. You can continue to get in touch with her, and the VET system review team, at: VET.review@education.govt.nz.

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

Stakeholder views – a system that supports, and is supported by, industry

Employers & employees

What works

- Some employers have a strong commitment to training. Certain industries are more likely to invest in training. One employer hired additional staff so that other staff could attend training.
- A tight labour market is driving a growing interest in training to meet immediate needs and as an attraction and retention strategy.
- Larger employers are more likely to have a clearer idea of their skills needs and can deliver strategies and programmes to meet these needs.
- Some providers actively seek industry input into desired qualifications and/or skills. This supports employer engagement in training and can ensure qualifications are relevant.
- Increasingly, employer groups are proactively engaging with schools and providers to support learners' and educators' understanding of career pathways.

What may need to change

- Most employers highlighted issues with firms poaching skilled staff, and/or small firms without the capacity to engage in workforce development.
- Some employers were very frustrated with TEOs, and felt that they were not being listened to. They connected this to individual TEO performance issues, but also restrictions on the roles of providers and ITOs.
- Some employers and employer peak bodies appeared to be more focused on training to fill current labour shortages than longer-term skills needs.
- The Care and Support Worker (Pay Equity) Settlement has had a significant impact on training – both driving up training participation, but also exposing tensions in the level of service available to employers from the ITO.

ITOs

What works

- Some ITOs take an active role in providing Skills Leadership. Successful ITOs recognised that they had to work closely with regulators, providers and employers to provide qualifications that meet current and future industry needs.
- Proactively engaging with disengaged employers and working with them to take on apprentices.

What may need to change

- Some employers, particularly smaller employers, appear unwilling to take on apprentices or trainees.
- Some ITOs struggled to engage with employers in certain industries. For example, one ITO said that only 13% of employers in a specific industry were engaged in training apprentices.

Providers

What works

- The relationships between local tutors and employers appeared to be stronger in smaller regions. This enables frequent informal engagement between tutors and industry.
- Regularly engaging with employers through peak bodies, ITOs and employment hubs (such as Ara in Auckland) can help providers understand employers' needs.
- Flexibility about when and where training occurs. For example, delivering training on the weekend, or during evenings.

What may need to change

- One ITP told us that some employers / industries only employed contractors. This meant that employers were less invested in training, and contractors had to choose between earning an income or improving their skills.
- One provider noted that industry skills standards can be pretty inflexible and assessment heavy, rather than about quality of learning. This can encourage "teaching in compliance mode", rather than setting out to maximise the skills attained by learners.

Industry–provider collaboration

The Electrical Training Company (ETCO)

ETCO is a group training scheme established in 1991 to support the training of electrical apprentices across New Zealand. ETCO hires apprentices and seconds them to employers, taking away much of the burden in managing apprenticeships from employers.

ETCO has benefits for apprentices and employers. By directly employing apprentices, it creates a clear pathway for young people, and reduces the risk of taking on apprentices for employers. ETCO told us that it works closely with employers to ensure apprentices and employers are well-matched, and that apprentices learn the skills they require.

BEL Group – Industry – Providers – TEC

BEL group, along with Fonterra, PrimaryITO, the Tertiary Education Commission and other local farmers, collaborated to hold an 'open day' for school-age children across the Hawke's Bay. This initiative sought to break down some of the negative perceptions about working on a farm, and to highlight the many different career pathways learners could take in the dairy industry (e.g. working in finance or as a veterinarian).

We were told that close to 100 children attended this open day in 2018. Feedback from schools and teachers was very positive.

Aoraki Development – connecting schools to employment

Aoraki Development recently set up the Canterbury Youth Transition Initiative that is focused on improving connections between industry and youth, starting from Year 9 (with funding from the Ministry of Social Development).

This initiative seeks to expose learners to the workforce, and the workforce to learners. It also seeks to support both learners and employers to understand the employment and learning pathways (e.g. Dual Pathways, Gateway). The Chief Executive of Aoraki Development, Nigel Davenport, told us that schools, learners and parents were now beginning to see the clear benefits of this programme in their community.

Stakeholder quotes – from Auckland to Dunedin

"None of the training being provided by education providers is driven by industry. An ITO should be the body that deals with that on our behalf. But ITOs are in a position where they are funding arrangements leading to qualifications which they are also setting" – Employer

"How can government get more employers to take on apprentices?" – Union

"As an employer – it doesn't matter where training is provided" – Economic Development Agency

"There is insufficient scrutiny of national standards and a tendency to not involve industry in decision making for provider programmes of study [following the Targeted Review of Qualifications]" – ITO

"Getting employees work-ready appears to be what industry wants" – ITP tutor

"Not everybody wants to train people in industry. There are quite a few vultures out there, and some of the bigger industries will employ trade assistants and pay them less, rather than upskilling them" - Employer

Glossary

VET
vocational education and training
TEO
tertiary education organisation
ITO
industry training organisation
ITP
institutes of technology and polytechnic
PTE
private training establishment
Providers
ITPs, PTEs, wānanga

Notes: these findings reflect the summarised views of providers, industry training organisations, employers, staff and learners from stakeholder engagement undertaken by the Ministry of Education between April and August 2018.

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Stakeholder views – a strong network of provision for all regions

Providers

What works

- Most ITPs have some specialisation in niche areas where they meet national demand (e.g. forestry).
- We visited one region where degree-level provision was primarily from an ITP, as there was no university based in that area. It demonstrated the value of flexibility in ITP roles to respond to regional needs.
- Both Māori and Pasifika Trades Training and Youth Guarantee programmes are useful in supporting learners' access to tertiary education.
- We saw some examples of ITPs using flexible delivery approaches to the provision of education and training to remote communities. It can be challenging to make such provision viable, due to low learner numbers.

What may need to change

- Some providers and tutors commented that competitive funding works against collaboration, and over-regulation results in undesirable provider responses.
- The funding system is designed so that only one provider (or ITO) receives funding for a learner. This can present a barrier for providers seeking to collaborate.
- The number of different funding initiatives and the different reporting requirements of each is administratively complex, particularly for smaller providers.
- Funding systems do not recognise the cyclical nature of employment/learning.
- Enrolment-driven systems do not appear to be sustainable across the business cycle. Some ITP stakeholders indicated a strong interest in shifting to an investment-driven model, away from a system that is primarily driven according to per-student funding.
- Union representatives noted that regional provision of all courses can be very difficult when ITPs are closing satellite campuses and/or courses with low numbers of students.
- Education Performance Indicators (EPIs) incentivise providers to hold on to students, or to progress them to higher levels of study, at the expense of employment and life-long learning. Degrees can attract more funding than diplomas, and as a result, ITPs are incentivised to shift learners into degrees when employers may only require a diploma.
- Tutors at one ITP told us there is pressure from management to increase the number of learners coming into the system. We were told this can include enrolling learners who may not have the skills to pass courses.
- One peak body told us some PTEs have issues in how ITOs determine where off-job training should occur, instead of learners.
- Some PTEs told us that some former Youth Guarantee learners can be set up to fail as they don't receive adequate support and can end up repeating low level study (giving rise to churn).
- If government was to focus on employment outcomes as a system measure, it would also need to consider measuring learners employed overseas, or who enter a vocation with low income, but with high life satisfaction outcomes.
- Māori and Pasifika Trades Training brings employers to the table, but is under-funded. Wider outcomes (not just apprenticeships) should be recognised.
- Funding for programmes at Levels 1 and 2 needs substantive rebuilding to focus on quality provision, particularly if outcomes for Māori are to be improved.
- Learners (particularly Māori and Pacific learners) need better assistance in successfully moving between types of provision and up a level.

ITOs

What works

- We saw several examples of how ITO/ITP collaboration could support and strengthen regional provision of training.
- A regional ITO representative told us about how her ITO and the local ITP collaborated to ensure learners and learning stays within a region with a low population base. The ITP provided pre-trades training, then supported learners to transition to an apprenticeship through the ITO.

What may need to change

- EPIs incentivise providers to hold on to learners, even where a learner may be able to complete their study within employment.
- Funding rates can incentivise ITPs to offer Managed Apprenticeships over NZ Apprenticeships.
- It is unclear how much of a presence ITOs have in regions with a very low population base
- Some learners are re-enrolling in lower level qualifications, rather than progressing to higher level qualifications and/or employment.
- One ITO noted that not advancing through levels was a missed opportunity for the learner, particularly when industries were facing labour and skills shortages.

Glossary

VET
vocational education and training
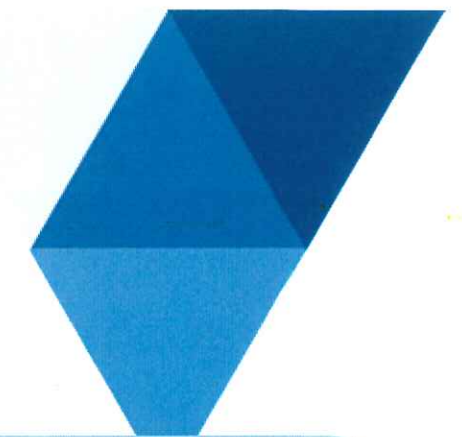**TEO**
tertiary education organisation
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institutes of technology and polytechnic
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private training establishment
Providers
ITPs, PTEs, wānanga

Employer and learner experience

Learners and employers value tertiary education that is accessible to them. For some learners, this means accessing degree-level programmes in regions. One group of learners told us that it was disappointing that some programmes of study were not taught at the degree level within their region. Younger learners were considering whether they had to leave the region, in order to progress to higher levels of study. An older learner told us that she would not be able to progress to higher levels of study as she had a child, and could not move from the region. These learners told us that they recognise the difficulty of degree-level provision in smaller regions – and would be open to splitting their study between a main city centre and satellite campus.

Stakeholder quotes – from Auckland to Dunedin

"Most ITOs have shifted from off-job provision, as it's cheaper, particularly using online assessment" – ITO

"We are interested in ensuring that learning stays within a region. We are partnering with an ITO to ensure that learning and training stays within the region" – ITP Management

"Over the years I've struggled with ITPs. They're quite interested in EFTS [equivalent full-time students], so if you're not doing a full-time course, they're less interested in you. It seems night classes and advanced trades training is less important to them" – Employer

"The way apprenticeships are funded needs to change and be more balanced" – ITP Management

'The funding system does not support learners to find employment before they finish a qualification" – ITP Management

Notes: these findings reflect the summarised views of providers, industry training organisations, employers, staff and learners from stakeholder engagement undertaken by the Ministry of Education between April and August 2018.

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Stakeholder views – an effective system for all learners

Learners

What works

- Strengths-based approaches place a high value on the Māori and Pacific learner's culture, languages and values.
- Pacific families are strongly supportive of education, but family commitments can at times get in the way of learning.
- Tutors that teach around workplace and home needs (e.g. childcare) supports learner participation and success.
- People with autism benefit from workplace mentors.
- Proximity to campus supports learner engagement.
- Small, hands-on classes are good for learners.
- The fees-free policy has encouraged some learners to undertake study.
- Understanding why VET is necessary improves engagement.
- Support from providers to find relevant work experience is essential.
- The confidence boost from academic success motivates learners to explore further study and employment opportunities.

What may need to change

- While most learners were keen to work, a minority had no clear plan. This seemed to cluster around particular providers.
- Learners with disabilities struggle to transition from school to VET. For example, job interviews are hard for people with autism, and some TEOs turn away deaf students because they aren't equipped to support their needs.
- Some learners with disabilities are not aware of the support they are entitled to or it can be difficult to access support in a timely fashion.
- Distance learning is not easy to fully engage with. Blended learning opportunities (online, workplace and block courses) are desired.
- Some learners cannot find workplaces that support studying while working.
- Some learners told us that they would not staircase to higher-level qualifications as these were not offered locally.
- Some learners told us that the Unit Standard approach to assessing skills levels does not incentivise excellence.
- Older learners find it difficult to return to study and require extra assistance.
- The system isn't built for Māori learners and their needs, but it should be.
- Pacific learners find it difficult to navigate the system, and need assistance beyond basic pastoral care support.
- Providers need to hire more Pacific tutors, and non-Pacific tutors need to become more culturally aware.

Employers & employees

What works

- Partnerships between regional economic development agencies, TEOs, schools and learners are essential to support school-leavers' transitions into employment and VET, particularly in early exposure to the variety of VET pathways, or for learners with disabilities and special learning needs.
- Employers with female apprentices tend to take on more.
- Support for workplace literacy and numeracy training can help employers train deaf people to communicate well in the workplace.
- Some regions have schools that are more engaged in VET pathways, as a result of new efforts to connect schools and employers. These schools are generally positive about VET once they understand the learning and employment opportunities.
- Employers and ITOs who are committed to inclusion build workplaces and training environments that are supportive of learners with disabilities and special learning needs.

What may need to change

- Need to ensure multiple learning methods are used. Online learning is not suitable for second-time learners with literacy and numeracy needs.
- Attracting young learners to undertake VET can be difficult in some industries.
- Schools (and NCEA) appear to prefer pathways to university over VET.
- Mainstream post-secondary education is not equipped to deal with neuro-diverse learners.
- Employers can sometimes get wage subsidies for employees with disabilities, but they don't know about them or the subsidies come too late.
- Some employers need to understand that women apprentices are just as capable as male apprentices.
- Most employers are not focused on differentially supporting a diverse workforce.
- The terminology of VET is not recognised and doesn't resonate with Pacific people. Trust needs to be built with successful Pacific VET graduates telling communities how VET worked for them.

TEOs

What works

- Trades Academies, Māori and Pasifika Trade Training, Secondary/Tertiary Alignment Resource, and Gateway have been effective in retaining learners in school or transitioning them to VET.
- Māori and Pasifika Trades Training builds the expectation of a Māori- or Pacific-centred culture and learning environment.
- Learner participation can be improved by meeting learners' needs, including transport assistance and on-site childcare.
- Techniques that trained tutors have to help learners with dyslexia or autism actually help all learners.
- Effective learning seems to occur through blended learning (e.g. block/night classes, some online, workplace based).
- Providing embedded literacy and numeracy training helps lift literacy and numeracy skills.
- Neuro-diverse learners benefit from practical and transferable training and assessment.
- ITPs that engage with Māori directly better service Māori learners.

What may need to change

- Learners with additional needs (e.g. dyslexia) must self-declare. Schools should share information with TEOs.
- Better support is needed for Māori learners coming from Māori-medium into English-language tertiary education.
- There should be more flexibility in the qualifications and funding systems to support TEOs to delivery to learners with disabilities and special learning needs.
- The fees-free policy may (incorrectly) be signalling to some learners that Level 3 study is a big step up.
- Many learners do not have the literacy and numeracy skills to achieve their full potential. Support is needed at all levels, not just at foundation level.
- Many schools seem to have careers advice that markets VET as less academic and prestigious than universities.
- There are financial barriers for older learners (student support settings do not take their needs into account).
- Some employers face financial barriers to training staff.
- The number of women in traditional trades needs addressing.

A case study – Cargill Enterprises

Cargill Enterprises is a Dunedin-based business with a social purpose. It employs over 80 people with some level of disability across four different units focusing on wood manufacturing and assembly, e-waste recycling, and food packing.

As part of their employment, each worker is provided training in:

- the machinery they use
- literacy and numeracy
- health and safety
- workplace-ready skills.

These skills are formally recognised through NZQA approved standards, and are government funded (through Skills Highway). For many workers, these are the first NZQA qualifications they have ever achieved.

Ministry of Education officials had the opportunity to visit Cargill Enterprises and meet their staff. It was clear to us that workers were engaged in all areas of work at Cargill. In fact, we were told by the CEO, Geoff Kemp, that he has difficulty in convincing his workers to transition to working for other employers! He told us that his ultimate end goal for his employees was that each felt empowered enough to have employment options that include working in the open market.

Stakeholder quotes – from Auckland to Dunedin

"We sometimes struggle to make student numbers for some VET courses…. we believe a shift also needs to happen in changing the views of parents [on VET]…" – ITP management

"For me, one year of fees-free study was the moment where I decided to undertake a mental health course. In fact, I would say that this was one of the main reasons many of the people in my course decided to study" – Learner

"Current policy interventions are deficit framed. We need to shift language away from 'supporting Māori learners', which suggests the weakness or problem is with them. Instead, the system should be designed with Māori needs at the centre" – Māori staff member

"The biggest issue we face in getting learners into VET is the 'wallytech' perception from schools careers advisors [that VET is not academic and is second-class to university]" – ITP tutor

"Around 25% of BCITO signups have done a degree. Around 90% of these students have told us that they shouldn't have gone to university, but their careers advisor said they had good grades so they should go to university" – Group Training Scheme

"It would be a lot easier if schools shared learners' history with us – this would allow us to understand their learning needs" – ITP tutor

"Employers should get a tax break for hiring and training neuro-diverse and disabled people" – Employer

"I find it quite hard to find a workplace that is willing to be flexible around my study needs" – Learner

Glossary

VET
vocational education and training
TEO
tertiary education organisation
ITO
industry training organisation
ITP
institutes of technology and polytechnic
PTE
private training establishment
Providers
ITPs, PTEs, wānanga

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Notes: these findings reflect the summarised views of providers, industry training organisations, employers, staff and learners from stakeholder engagement undertaken by the Ministry of Education between April and August 2018.

Stakeholder views – work-based learning that adapts to a variety of needs

ITOs

What works

- Blended learning is effective for learners – having a mix of on-job and off-job training works best.
- Work-based training is best for supporting learners to understand and train in the latest technology available.
- Some work-based training was also aligned with industry regulations. This was considered beneficial for learners and employers.
- Mapping larger companies' internal training to national qualifications has benefits – ITOs validate training to meet industry qualifications, recognises learners' skills, and motivate employee engagement within the company.
- Group training schemes (for younger people) work well for some employers.
- Some employees contribute to the costs of off-job training – paying up to $50 per week.

What needs to change

- Some employers are not good at assessing skills. Some ITOs are good at supporting employers to effectively assess industry trainees. Other ITOs were less engaged.
- Some ITOs were not willing to map larger companies' internal training needs to a qualification. This meant the employer had to find other work-based training routes.
- Some claimed qualifications (especially pre-trades courses) offered by ITPs and some PTEs do not support learners to be work-ready or prepared to enter a Level 4 apprenticeship.
- Some ITOs suggested the qualifications from ITPs are no longer as standardised, with substantial regional variations, so they are less transferrable nationally.
- Unequal funding rates for Managed Apprenticeships compared to NZ Apprenticeships seen as problematic and unfair. ITOs noted that the NZ Apprenticeship funding rates had not increased in several years.

Providers

- ITPs have a significant role in providing support for learners. This includes pastoral care, intensive learning support, and accommodating people with disabilities.
- Tutors provide support to learners in finding work experience.
- Where workplace learning isn't feasible, learners are provided with simulated learning environments (e.g. maritime experience).
- Managed Apprenticeships are useful for those learners who require high levels of support. They can also benefit employers with limited capacity or capability to train and/or assess.
- Blended learning is effective for learners.
- Some providers are partnering with community organisations and iwi to deliver work-based learning, particularly in areas with few employment opportunities.
- A Pacific school teacher told us that bricks and mortar institutions were going to be less important in the future and we needed to get more Pacific people into workplaces to learn skills

- Microcredentials and recognition of prior learning were mostly seen as positive and a good way to recognise or extend employees' skills. Some ITPs recognised they could better target training. However, some stakeholders (some tutors and some union representatives) noted that these approaches should not be seen as a replacement to a basic qualification, as this could limit learners' career pathways.
- Some sole on-job (ITO) training does not provide enough supervision and direct training of learners.
- The quality of on-job assessment facilitated by some ITOs was of concern with some ITPs believing that providers are more suitable on-job assessors than employers. High-quality assessment is important, so employers can focus on their business and not assessment.
- The Targeted Review of Qualifications (TROQ) has reviewed and rationalised qualifications, but some stakeholders indicated that this has slowed the process for getting new qualifications recognised and reduced flexibility in meeting specific industry or employer needs.

Learner experience

Every learner we spoke to viewed work-based learning opportunities as critical to their education and future employment.

The range of workplace experience required depended on the field of study and level. Some learners in an ITP told us work placements ranged from 80 hours (bakery) to 200 hours (mental health).

Learners told us they were satisfied with NZ Apprenticeships and Managed Apprenticeships. Learners in a Managed Apprenticeship appeared to appreciate the additional support it provided, although a few recognized that this support came at a higher financial cost to them.

Māori and Pacific learners have more difficulty transitioning to employment that involves training.

Employer experience

Most employers appeared comfortable with the quality of workplace training provided.

However, we were told that certain ITPs and ITOs were not easy to deal with and did not provide qualifications relevant to work.

There is also overlapping provision between ITOs and ITPs in some disciplines and regions.

Some employers find it difficult to provide on-job training and supervision, and they want a choice of training arrangements.

ITO & Provider Partnerships

We heard of several instances where ITOs are partnering with ITPs or PTEs to improve learner engagement with VET. Many of these partnerships were in their infancy.

EIT and Skills Org

The Skills Org representative in Hawke's Bay is located on the Eastern Institute of Technology's (EIT) campus. Both organisations told us that there are benefits for providers and learners. For example, Skills Org often presents to classes at EIT on employer expectations, and learners are able to better understand the potential apprenticeship pathways available to them.

Taratahi (PTE) and PrimaryITO

Taratahi and PrimaryITO are seeking to simplify provision of on-job training of specific Level 3/4 qualifications. They hope to pool their funding, and allocate it to where costs occur. This will allow learners to smoothly transition between full-time study and full-time work/part-time study.

Stakeholder quotes – from Auckland to Dunedin

"If employers are trained around the principles of assessment, and have an awareness around what they have to do, then there are no issues. But there can be risks if they are not a trained assessor" – ITO

"There is massive variability in the workplace. Some apprentices get very little supervision. And take longer to complete. Others get great supervision, so come through faster" – ITP Management

"It's possible that there is overlapping provision in areas where there are lower numbers of prospective apprentices" – ITP tutor

"Most employers are looking for 'just in time' training, given how they operate, but the current system does not support this. Microcredentials will help support this type of training" – ITP Tutor

"Pastoral care is the biggest thing for student success, including those in work-based learning. A fair few students wouldn't make it without this support. This support is best utilised at the beginning of training" – Group Training Scheme

"Where there are skills knowledge gaps, sometimes you need more overseeing of learning and the best place for that is the classroom" – ITO

"It can be hard to find a place that is willing to provide me with work-based learning" – Learner

"There is not much of a relationship with ITOs – we just get on and do our own thing. There's a broken relationship there. When it comes down to it – we don't know how to work together" – ITP Management

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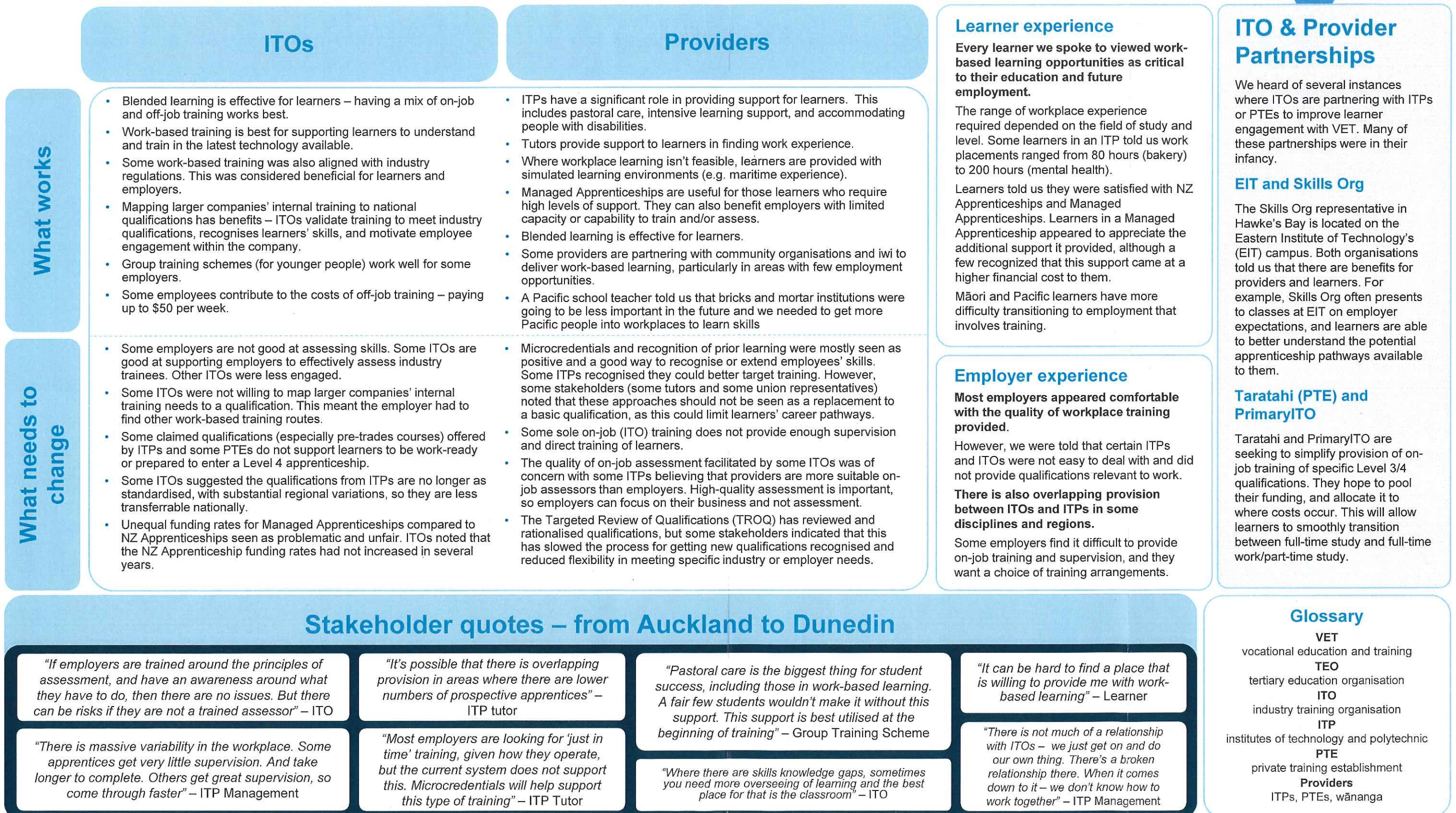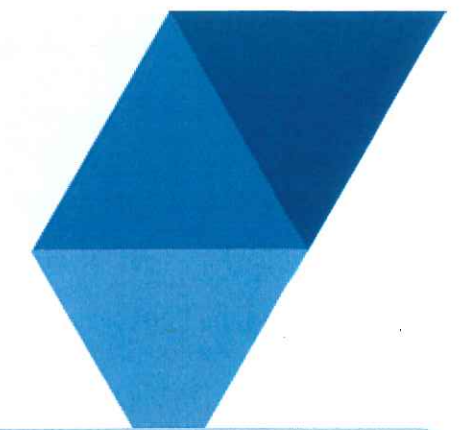industry training organisation
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