

What the Government's proposals would mean for employers

Thank you for taking an interest in the Reform of Vocational Education. We want to hear your views on these proposals. The changes we propose are complex, and we need the detailed knowledge and the different perspectives of people across New Zealand to get them right.

This fact sheet is a companion document to the Reform of Vocational Education consultation discussion document, which is published here: <https://conversation.education.govt.nz/conversations/reform-of-vocational-education/>. It provides additional information on what the proposed reforms would mean for employers.

What should employers understand about the proposals?

Our vocational education system must change to meet current and future challenges, and deliver better outcomes for New Zealand. Employers need to have confidence that employees have the skills to successfully contribute to the economy, and part of this is enabling better connections between business, employers, industries, local communities and the education sector.

We've heard from industry representatives, as well as individual businesses and employers that the current system isn't always delivering what they need. Our vocational education systems need to be better aligned to the needs of industry and employers, to ensure we are getting the most from our investment in education – and our people.

Employers need to be given, and must take on, a greater leadership role in building more effective partnerships with education specialists, so that people in the current and future workforce benefit from on-job training, and high quality teaching and support.

The system needs to increase the amount of vocational learning that takes place in the workplace, and it needs to suit learners from diverse cultural and socioeconomic backgrounds. Shorter blocks of training via micro-credentials will increasingly be used to ensure skills remain relevant in variable, fast-paced and highly technological work environments.

We want to make sure that our vocational education system enables transitions between, and in combinations of, work and training in order to best facilitate the needs of both learners and industry.

A vision for NZ

A strong, unified vocational education system that is sustainable and fit for the future of work, delivering what learners, employers and communities need to be successful.

Have your say

The government is seeking feedback on the proposals for the Reform of Vocational Education by Wednesday 27 March 2019. The link above will also take you to our online survey where you can respond to the questions posed and more.

– You can also provide feedback by attending a face-to-face consultation event. Details on these events are available at <https://conversation.education.govt.nz/conversations/reform-of-vocational-education/>

The new system provides many opportunities

The purpose of the proposed Reform of Vocational Education is to enable a strong, unified, healthy and sustainable vocational education system that delivers the skills that learners, employers and communities need to be successful. Clear roles and one set of funding rates would incentivise blended on- and off-job learning so that the job pool of new talent is both skill-smart in what you require to do the job and work-smart in what's expected of employees in the real world.

Specifics of the proposals for employers

A clear role for industry and employers in identifying and describing their skill needs

As an employer your role remains to specify the skills you need; industry and providers collaborate to deliver it.

In the proposed reform, employers could choose to be represented by new '*Industry Skills Bodies (ISBs)*'. Through these bodies, you would have a much stronger role to contribute at a national level to a wider industry voice focused on long-term goals. You would probably want to maintain connections with one or more ISBs who represent national interests in the skills system.

Vocational education providers would be required to adhere to the relevant skills standards set by the ISBs. This could potentially take the form of an approved nationwide core vocational programme.

ISBs would have new powers to set standards and co-approve programmes with the New Zealand Qualifications Authority (NZQA) for all vocational education and training. They could also administer "capstone" assessments (exit assessments for graduates at the end of programmes), if they chose.

ISBs would take the place of Industry Training Organisations (ITOs), but would not purchase provider-based components of work-based training programmes for employers, as ITOs currently do.

Instead, vocational education providers would be responsible for delivering and supporting all vocational education and training, whether it took place at a provider's facilities on campus or in a workplace. Providers would take responsibility for approximately 140,000 trainees and apprentices in addition to the approximately 110,000 vocational education learners they already serve.

ISBs would be industry-led organisations, similar to ITOs. Industry groups would apply to the Minister of Education for recognition. We envisage that Industry Skills Bodies would collectively set standards for all vocational skill areas, and would progressively include areas that have no ITO coverage at the moment (for example, Information and Communications Technology).

A single New Zealand Institute of Skills & Technology with a robust regional network of provision

The Government proposes to create a new New Zealand Institute of Skills & Technology, bringing together all 16 existing ITPs to offer high-quality vocational education throughout New Zealand. The creation of a new institution will allow greater and faster improvements, compared to continuing with ad-hoc mergers of competing ITPs across New Zealand, as individual institutions run into financial difficulties.

The New Zealand Institute of Skills & Technology would be governed by a national Council appointed by the Minister of Education, overseeing a single combined management team and balance sheet to manage capital and operational budgets, staffing, and student and learning management systems.

A dedicated organisational charter in the legislation would set out the purpose and functions of the institution, including specific obligations to ensure it was responding to the needs and aspirations of regional New Zealand and of Māori as tangata whenua.

Key changes

- » You would know your new hires have all met skill standards set by your industry skills body.
- » New hires would bring both skills and knowledge of employers' expectations at work.
- » You would have complete choice of vocational education providers to meet your needs and the individual needs of your people, including supporting disabilities and kaupapa Māori.

The “New Zealand Institute of Skills & Technology” is a working name, and we are interested in your feedback on the name. The Government would like the New Zealand Institute of Skills & Technology to be in operation from 1 January 2020. The process of transformation would be phased to ensure minimal disruption to learners.

Regional Leadership Groups

Each region would have a Regional Leadership Group – aligned to other regional advisory organisations being developed through various Government agencies - to advise the Institute’s “national office” and the Tertiary Education Commission (TEC) on local skills, to link with local and regional development strategies, and to advise on what mix of courses should be offered in that region. This would include both existing course offerings that are important to maintain, and new areas of provision where local needs aren’t currently being fully met.

The courses on offer in each region would not be limited by what the local or regional campuses could provide on their own – each campus will be able to draw on the resources of the whole New Zealand Institute of Skills & Technology system to offer what the region needs. In this way, regional delivery and responsiveness will be not just maintained, but enhanced and expanded.

A unified vocational education funding system

A new funding system would support more work-integrated learning that resembles apprenticeships: combining provider- and workplace-based learning to best meet the needs of learners and employers, and provide the agility needed for the Future of Work.

What are the benefits to employers?

Employers and industry would have more choice about how they engage with vocational education providers to meet the skill needs of their current and future workforce.

Employers would have a choice of education providers to work with, rather than having to arrange on-job training via their ITO.

Better integration of workplace and provider based vocational education programmes would enable employees to gain the skills that employers and industry need.

Workplace learning would become part of the core business of vocational education providers, putting them in day-to-day contact with employers. Over time, programmes that integrate structured learning with the workplace would become the norm, making it easy for learners to transfer between providers and between on-job and off-job training throughout their programme of study.

More vocational education could resemble apprenticeships, with education providers and employers working together to help a learner meet industry skill standards via a mix of work-based learning occurring in the course of doing a job, and structured learning supported by a provider off-job where needed – regardless of whether the learner is employed.

Overall, the reform would mean employers would no longer face the problems associated with a split system between provider-led and ITO-led training.

You would have better access to skilled, productive employees when you need them, through higher quality and more consistent vocational education programmes nationwide:

- » You could provide input to sector and industry-wide information and advice to help the system make medium and long-term decisions about what’s needed, when and where.
- » You could expect greater consistency in the skills of newly trained employees and that their skills meet industry standards, regardless of which provider trained them.
- » You would have new and direct relationships with providers and a seamless and complementary provision of on-the-job and off-the-job training so that employees don’t just know the skills to do the job, but also what’s expected of them as employees.
- » You would have a greater choice in the mix of the provision you need.

What happens after I provide feedback?

We expect that many people will be interested in having a say on the future of vocational education in New Zealand. Everyone's feedback is welcome. We'll carefully consider what we've heard in engagement meetings, along with the feedback that is sent in to the survey, email address and phone line. The Minister and Cabinet will receive a summary of all the feedback, which will inform their decisions about the Reform of Vocational Education. You can expect to hear about these decisions around mid-2019. We'll also continue to draw on feedback and ask for more conversations as we work through how to implement the Government's decisions.

Are you looking for more detail?

Technical discussion documents that go into greater detail on the specifics of the proposals are available at <https://conversation.education.govt.nz/conversations/reform-of-vocational-education/>. Questions on the details are available on the technical discussion documents and online when you indicate that you wish to provide specific feedback to the following topics:

- » Proposal on roles of providers and industry bodies
- » Proposal on a single New Zealand Institute of Skills & Technology
- » Proposal on a unified funding system