

Reform of Vocational Education

What the Government's proposals would mean for ITO management and staff

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 the proposed reforms. You can also find a detailed discussion document on what the proposed role changes would mean for ITOs.

What should ITO management and staff understand about the proposals?

Why are changes being proposed?

At the heart of the Government's reform of vocational education is a goal to ensure that the needs of learners, employers and communities drive the system, to help us raise living standards for everyone in New Zealand.

To achieve this goal, every participant in a future system needs to have a clear and well-understood contribution to make, with roles that are complementary rather than competitive.

In the Government's proposed vocational education system, industry, employers and education providers would each have clear and complementary roles to play in ensuring learners, employers and communities get what they need. We would clarify roles and minimise overlapping responsibilities, so providers and industry are positioned to act collaboratively.

We believe these changes would better align New Zealand's vocational education system to those in other high-performing jurisdictions such as Scotland and Singapore. The changes would align responsibilities across industry and providers and support employers and learners to meet their training needs in similar ways to the top vocational education systems around the world.

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/>

We have the opportunity to not only address existing system challenges, but to create a new, fit for purpose vocational education system that is positively geared to respond to the future opportunities and challenges New Zealand faces.

Specifics of the proposals for ITOs

In place of existing ITOs, the Government is proposing to recognise and fund “Industry Skills Bodies”, which would extend the leadership role of industry and employers across all vocational education, including provider-based vocational education.

These new Industry Skills Bodies would provide skills leadership, coordinating industry efforts to identify and plan to address future skills needs.

They would also set skill standards and approve programmes in vocational education across the entire vocational education and training system. Vocational education providers would be required to adhere to the relevant skills standards. This could potentially take the form of an approved nationwide core vocational programme.

They 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 significantly contribute to curricula design in partnership with the new Centres of Vocational Excellence where appropriate.

Industry Skills Bodies could also administer “capstone” assessments (exit assessments for graduates at the end of programmes), if they chose.

We propose that Industry Skills Bodies 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). Initially, some industries and cross-industry qualifications would lack coverage. Approximately two-thirds of vocational education has ITO coverage at present. In the short term, current arrangements are adequate to cover the gaps. Over time, Government would facilitate the Industry Skills Bodies to fill these gaps if necessary.

Instead of purchasing provider-based components of work-based training programmes for employers, as ITOs currently do, Industry Skills Bodies would have a formal role in advising the Tertiary Education Commission (TEC) about where investment is best utilised.

The ITOs’ current role of supporting workplace learning and assessment for work-based vocational education would be transferred to vocational education providers. Providers would therefore become 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.

This change would promote better alignment between on- and off-job education and training. Providers would take responsibility for approximately 140,000 trainees and apprentices in addition to the approximately 110,000 vocational education learners they already serve (based on 2017 Ministry of Education figures). Workplace learning would become part of the core business of vocational education providers, putting them in day-to-day contact with employers.

Key changes

- » ITOs would no longer be recognised in their current form.
- » Your ITO would have the opportunity to be recognised as an ‘Industry Skills Body’.
- » Industry would gain a stronger voice in the skills development system.
- » There would be opportunities for professional and capability development for ITO staff.

Brokerage and advisory services for employers

Many employers will, from time to time, want advice from an impartial source about training options for their staff, before they decide where and when to invest. It can be costly and difficult for employers to gather this information for themselves and to know who to contact to learn more.

In the proposed future state, impartial training advisory and brokerage services for employers could potentially be provided by Industry Skills Bodies, by wānanga, or by the skills and employment “hubs” the Government is currently considering as part of its immigration changes (see <https://www.mbie.govt.nz/have-your-say/consultation-on-a-new-approach-to-employer-assisted-work-visas-and-regional-workforce-planning>). The Government is interested in your feedback on what you think might work best.

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.

A unified vocational education funding system

The funding system would need to change to support more work-integrated learning and Industry Skills Bodies.

Creating one funding system for vocational education would ensure learners get the skills, experience and support they need to be successful, providers have the funding they need to be sustainable and to support our regions, and Industry Skills Bodies can fulfil their roles.

What are the impacts on ITO management and staff?

The role of ITOs would no longer be recognised under the proposed Reform of Vocational Education. Industry would continue to have role at a national level – and in fact a much stronger role - through the proposed *Industry Skills Bodies*.

These changes would require significant change processes for ITOs (and for providers). If these changes proceed, Government will need to provide support for the change processes to ensure they are smooth and effective, including supporting existing trainees and apprentices and their employers to easily shift training arrangements.

Officials anticipate that ITOs’ existing skills and capability place them in a strong position to seek recognition as ISBs under any new recognition criteria. However, it may also be important to ensure that other organisations could also apply for recognition as an ISB.

In order to understand how to best support industry and industry training organisations, in making the transition, the government would engage with employers, industry and industry training organisations during the consultation period and beyond, to identify how it could support industry, if changes proceed.

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