

Submission on Redesign of the vocational education and training system



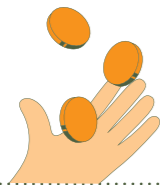
Service sector contribution to the New Zealand economy

946,000

▶ **Number of kaimahi**
over a third of the New Zealand workforce



▶ **GDP/year**
contribution



\$110bn

306,000

▶ **Number of businesses**
50% of all businesses

7,000

are Māori-owned



Service sector skills are essential to the success of a person's career, e.g: Teamwork, Customer service, Time management, Communication and Conflict resolution

IT IS ESTIMATED THAT SOFT SKILL INTENSIVE OCCUPATIONS WILL ACCOUNT FOR TWO-THIRDS OF ALL JOBS BY 2030

- Rate of enrolments in Service sector qualifications has been declining
 - 11% decrease in learners doing Service sector qualifications between 2018 and 2023



What the Service sector needs from the VET system

1. Fit-for-purpose, high-quality and timely qualifications and standards.
2. Accessible, flexible and affordable training delivery options suited to learners and employers.
3. Learners with relevant knowledge and skills, complemented by practical experience.
4. Influence across the VET system, including where funding gets directed and overall policy settings.
5. Less complexity and bureaucracy.



Ringa Hora perspectives on the VET redesign

1. Business growth requires a whole-of-economy approach to vocational education and training
2. Thriving Māori and Pacific economies are critical for New Zealand
3. Independent standard-setting organisations can be an effective conduit between industry, government and the VET system
4. Without a compelling vision for industry training, it is difficult to justify large-scale, disruptive reform

Proposal 1	Proposal 2	Proposal 3
<p>Replacing Te Pūkenga with an 'ITP network', made up of:</p> <ul style="list-style-type: none"> • Stand-alone ITPs – for those ITPs who are financially viable on their own; and • An 'ITP Federation' – consisting of the ITPs who are not viable on their own, supported by the Open Polytech. 	<p>Workforce Development Councils are replaced with:</p> <p>Option A: Industry Training Boards</p> <p>Option B: More focused, industry-specific standards-setting bodies</p>	<p>Making changes to vocational education funding from 2026 to support the new system</p>
<ul style="list-style-type: none"> • Give Te Pūkenga the chance to stabilise before introducing more change. • Create a smaller number of ITPs, as the size of NZ does not accommodate comprehensive local ITP coverage. • Adopt a learners-first approach, minimising potential disruptions and negative impacts for learners. • Avoid returning to a system characterised by fragmentation, harmful competition, conflicts of interest, disconnection from industry and financial unsustainability. 	<ul style="list-style-type: none"> • Takes away flexibility for learners to move between provider-based and work-based learning • Removes the independence and credibility of the standard-setting function 	<ul style="list-style-type: none"> • Creates a level playing field for providers with more choice for learners and employers • Delivers the Government's objectives more efficiently
		<ul style="list-style-type: none"> • No certainty about ongoing funding for WDC functions. • Removes Learner Component funding, which aims to support learners with low prior achievement. • Shifts funding from work-based to provider-based delivery is contrary to what employers and learners want and need from VET. • Risks re-introducing competition between providers and ITB and create non-collaborative behaviours.

Option B+ (suggestions to enhance Option B)

1. Reform Workforce Development Councils within the current legislative framework through revising their Orders in Council, to streamline governance and deliver efficiencies
2. Allow the new standards-setting organisations to cost-recover and be partially self-funded
3. Consider efficiencies in the relationships between the new standards-setting organisations, TEC, NZQA and providers
4. Align the new standard-setting organisations with Australian 'Jobs and Skills Councils'