

## What the Reform of Vocational Education means for employers

The Government has announced its plan to create a strong and sustainable vocational education system. It will help improve the skills of all New Zealanders no matter where they are in their education or career, and will support a growing economy.

The world of work is changing significantly, and vocational education needs to adapt to stay ahead of these changes. A unified, strong vocational education system will help improve wellbeing for all New Zealanders and support a growing economy that works for everyone.

All regions deserve to be backed to succeed. We have a once-in-a-lifetime opportunity to create a system that enables regional training and education that has a nationally consistent strategic direction and adapts to suit the jobs of today and the future. Your input into the design of the new system is vitally important and this will continue throughout this change.

### Improvements for industries and employers

Industries and employers like you have for some time been concerned about skill shortages and the supply of well-trained and skilled people ready and able to start work and contribute to the growth and prosperity of local and national employers.

The current vocational education and training system has worked for some but not all employers. Through the recent consultation, many employers saw the opportunity to improve the system and address the gaps that existed. Importantly, you have told us you want a system that supports students to achieve a consistent standard of skills.

The Government has announced its first steps in creating a strong and sustainable system for vocational education and workplace training. It will also help improve the skills of all New Zealanders no matter where they are in their education or career. This will enable employers like you to have the workforce you need and your staff to improve their ongoing employability.

The new system is designed so that employers will have better access to a work-ready, skilled workforce across all regions.

### What it means for you

- » You'll have greater choice of providers to support your trainees and apprentices.
- » There will be greater collaboration between employers and education providers.
- » You'll have more say in types and formats of learning for your staff.
- » For now, your ITO will continue to support you and your trainees and apprentices; at some point before the end of 2022, support for training will come from a different organisation – this transition will be carefully managed.
- » Through a Workforce Development Council (WDC), your industry will have the lead in ensuring New Zealand's workforce is fit for today and the future.
- » WDCs will shape the curriculum of vocational education, and the Tertiary Education Commission (TEC)'s investments in vocational education.
- » The system will provide you with more work-ready graduates.
- » Your staff will have easier access to training on-the-job, off-the-job and online.

Industry groups (called Workforce Development Councils) will have influence over the whole vocational education system, identifying skills needs, developing training packages, endorsing programmes, and determining the mix of programmes.

### One vocational education system will:

**give all learners the education and training they need** for the workplace

**prioritise learners who the system currently doesn't serve well**, especially Māori, Pacific peoples, disabled people and people with low levels of previous education

**give employers greater access to a skilled, work-ready workforce** across all regions of New Zealand

**give industry** the lead in ensuring New Zealand's workforce is fit for today's needs and tomorrow's expectations

**ensure all the regions** of New Zealand have collaborative, flexible, innovative and sustainable providers

**build on New Zealand's reputation internationally** as a great place to study

**be culturally responsive** to learners on-the-job and off-the-job, particularly to Māori and Pacific people

**help young people more easily transition** from secondary school to good jobs with training or to high quality and relevant online or on-campus learning

**support all people to continue employment** by ensuring they always have the new, relevant skills that employers need through retraining, upskilling and reskilling

**help whānau** by ensuring that everyone in the family who is able to earn can, even while they continue learning new skills to help them advance into more rewarding jobs.

### What the Government has decided

The Reform of Vocational Education will allow learners to study for qualifications delivered throughout New Zealand, with greater assurance that they meet industry-approved standards, and with high-quality teaching and learning support.

The main changes the Minister of Education announced on 1 August 2019 are:

1. *Create Workforce Development Councils (WDCs)*: Around four to seven industry-governed bodies, to give industry greater leadership across vocational education.
2. *Establish Regional Skills Leadership Groups (RSLGs)*: RSLGs would provide advice about the skills needs of their regions to the Tertiary Education Commission, WDCs, and local vocational education providers.
3. *Establish Te Taumata Aronui*: A group to help ensure that the Reform of Vocational Education reflects the Government's commitment to Māori-Crown partnerships.
4. *Create a New Zealand Institute of Skills & Technology (the Institute)*: A unified, sustainable, public network of regionally accessible vocational education, bringing together the existing 16 institutes of technology and polytechnics (ITPs).
5. *Shift the role of supporting on-the-job learning from industry training organisations (ITOs) to providers*: The Institute and other providers would support on-the-job training like apprenticeships and traineeships

as well as providing education and training in off-the-job settings, to achieve seamless integration between the settings and to be well-connected with the needs of industry.

6. *Establish Centres of Vocational Excellence (CoVEs)*: CoVEs will bring together the Institute, other providers, WDCs, industry experts, and leading researchers to grow excellent vocational education provision and share high-quality curriculum and programme design across the system.
7. *Unify the vocational education funding system*: A unified funding system will apply to all provider-based and work-integrated education at certificate and diploma qualification levels 3 to 7 (excluding degree study) and all industry training.

## What does this mean for you?

The changes we're making will give industry the lead role in ensuring New Zealand's workforce is fit for today's workplace needs and tomorrow's expectations.

The existing split between provider-based education and on-the-job training will be phased out between the passing of legislation early in 2020 and the end of 2022. Providers will, in future, support you as an employer, in both enabling your staff to gain qualifications and credentials while they continue to work for you and in preparing future job applicants to your firm. The focus will be on you as an employer working in collaboration with your chosen vocational education provider to develop the skills of your staff.

Industry training organisations (ITOs) will continue to provide you with support in the meantime, and will work with you on the details of the transition of training support to providers. Training arrangements will not stop, but will be handed over to providers only when they are prepared to support your workplace.

All employers will have greater choice and more say over how your staff are supported to gain qualifications and credentials.

We want to make it easier for your staff to access training and education whether they choose to learn at work, on a campus, online or a mixture of all three.

If you haven't been involved in industry training before, it will be easier to understand how the system works and the benefits of training workers in the workplace. Support from providers who understand the industry and how to help trainees or students become more work ready will be available. This will provide greater comfort to employers who are apprehensive about having to train staff at the same time as running a business.

If you have a team member on an apprenticeship or undertaking training through an ITO or polytechnic, they'll be able to continue training with little change over the next year or two.

If you're thinking of taking on an apprentice then please talk to your ITO. The vocational education and training sector will continue to accept enrolments and continue to support trainees and apprentices throughout the change process.

As the new system rolls out, apprentices and your staff will be able to move more easily between provider-based, on-the-job and online learning and will be able to learn and train from anywhere, any time.

As part of a carefully managed transition, we'll make sure you're informed of any changes in arrangements for training. Training will continue to be built around your needs and support will continue to be provided to you and your staff to train in the workplace towards national qualifications and micro-credentials.

If you have any questions, concerns or need any help, email the RoVE team on [RoVE@tec.govt.nz](mailto:RoVE@tec.govt.nz).

## What are Workforce Development Councils?

Industry groups, called Workforce Development Councils (WDCs), will have influence over the whole of the vocational education and training system. We'll work with industry to set up around four to seven WDCs (to cover

most industries) after 1 April 2020, when legislative changes are enacted, with the aim of completing the establishment by June 2021. Standards-setting roles will move from ITOs to WDCs as these are established.

WDCs will get to decide whether programmes are fit for purpose, whether those programmes are work-based programmes (like an apprenticeship), taught on-campus or online at a provider, or a combination of both. Unless a programme has the confidence of a WDC – effectively, industry’s confidence – it won’t be approved and won’t be funded.

Besides setting expectations, providing skills leadership and setting standards, WDCs will provide employers with brokerage and advisory services within the range of activities approved by the TEC as related to their leadership role. But given their oversight role, they won’t be directly involved in arranging apprenticeships and other on-the-job training leading to qualifications. They’ll also determine the mix of training and provide investment advice to the TEC. Industry will also be able to set requirements around a core curriculum.

All providers delivering a programme to an industry-developed qualification or credential must, in future, assess students’ work against standards set by industry. Capstone assessments set by industry may apply at the end of the programme. Capstone assessments draw together a learner’s knowledge, skills and cumulative learnings. Occupational regulation bodies will continue to determine entrance to specific occupations.

## What is happening to the polytechnic system?

Creating a unified, sustainable public network will involve bringing together the country’s 16 institutes of technology and polytechnics to operate as a national campus network. The New Zealand Institute of Skills & Technology (the Institute) will start on 1 April 2020. The Institute will be a new kind of organisation that provides both on-the-job and off-the-job learning.

The Government wants to create a vocational education system that delivers more for our regions, so that every learner has more choice in accessing quality vocational programmes and teaching where they live and work. The changes would improve and extend regional access and responsiveness. Making the system more efficient and more flexible, as well as more embedded in regional labour markets, will mean better service for our regions.

Regional Skills Leadership Groups will support the regional skills system, including providing advice to the TEC, WDCs and local vocational education providers. The TEC would be required to take the advice of Regional Skills Leadership Groups into account when prioritising investment decisions. They’ll work across education, immigration and welfare systems to help deliver on regional economic development strategies that work for everyone. Regional Skills Leadership Groups will have strong local government and business involvement, and will be well-connected to Māori and Pacific communities and businesses.

## What’s next?

If you’d like us to keep you up to date directly, please sign up for more information and we’ll send you regular updates, information about the progression of the changes, and how you can get involved as things progress. You can sign up through the following email address: [RoVE@tec.govt.nz](mailto:RoVE@tec.govt.nz).

We’ll also update your industry representative groups and local and national employer representatives (such as chambers of commerce) when we have more information and details on how you can get involved in shaping industry training.

**For more information on the Reform of Vocational Education, and the full series of factsheets, please visit [Kōrero Mātauranga – the Education Conversation](#).**