

Reform of Vocational Education

Understanding the current vocational education and training system

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 a brief description of how the current education and training system works, how it is funded and how the quality of training is assured.

What is vocational education?

Vocational education is education and training that has a special emphasis on the skills, knowledge and attributes required to perform a specific role or to work in a specific industry. It can span a variety of careers, including occupations such as barista, aged-care work and plumbing, and be delivered either in the workplace (by employers to employees, with support from industry training organisations (ITOs)), or through providers (such as institutes of technology and polytechnics (ITPs), wānanga and private training establishments (PTEs)).

People generally undertake programmes of study or training that lead to qualifications. Qualifications in the vocational education system are to certificate and diploma level. While there are often specific qualifications for each industry or occupation, learners can achieve the qualification in a number of ways through different tertiary education organisations (TEOs).¹

Vocational education in New Zealand involves around **240,000 learners each year**. Government provides **\$632m towards tuition costs and industry training**. Government also provides funding of **\$243m for non-vocational education tuition** at ITPs.

¹ TEOs include ITOs, ITPs, wānanga and private training establishments (PTEs).

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/>

Government's reforms focus on a specific part of the vocational education and training system

For the purpose of the reform proposals, vocational education and training is defined as:

- » all industry training (traineeships and apprenticeships undertaken while in employment)
- » provider-based education at levels 3-7 (diploma) on the New Zealand Qualifications Framework (NZQF).

While vocational education can include other tertiary study, this reform programme does not include any degree study, university provision, Te Reo and tikanga Māori, English for Speakers of Other Languages (ESOL) and other non-formal provision.

How learners come into the system

People can access formal training in their work-place

Employers can obtain structured industry training for their employees through one of the 11 government-funded ITOs in New Zealand. ITOs are industry bodies that arrange training for apprentices and trainees who are in employment. They may support the employer to provide training on the job, including working with supervisors to ensure they have the skills to oversee the learning of trainees and apprentices and can assess to industry standards. ITOs may develop support materials for on-job learning, and in some cases purchase training from training providers.

ITOs also have a key role in setting industry skills standards, and developing New Zealand certificate and diploma qualifications on behalf of industry.

ITOs are prohibited from operating as a provider, and must purchase any off-job components of the training.

People can access training at a provider

People can choose to access vocational education or training full- or part-time through a provider. Those who typically enrol and study at a provider include people who are transitioning from the compulsory schooling system, and people who are not employed, are changing careers, or are seeking learning that their employers do not offer.

Provider-based training can be undertaken at one of 16 ITPs, one of three wānanga, or one of several hundred PTEs spread throughout New Zealand. Most provider-based training is undertaken at the provider, or via distance delivery. It can also include work experience, work-based learning, or simulated-work environments.

People can access training while at school

Vocational education is delivered in schools, or in partnership with secondary schools and tertiary providers, for example, through Trades Academies, Gateway and Secondary Tertiary Alignment Resource (STAR).

Information on the impact of the proposals for secondary schools can be found online at <https://conversation.education.govt.nz/assets/RoVE/Secondary-Schools-factsheet-Reform-of-Vocational-Education.pdf>.

Further information on the number of people enrolling in vocational education and training is attached as Annex 1.

How learning and training is funded

The Government subsidises education providers and ITOs according to how many (full-time equivalent) learners they each enrol. Work-based funding rates are lower than provider-based rates, which reflects the differing costs of provider-based and workplace-based learning, and the additional contributions of employers (as firms benefit from having more highly skilled workers).

Work-based training

Government currently subsidises work-based training via the Industry Training Fund. ITOs receive \$3,200 per 120 credits for a traineeship, and \$5200 per 120 credits for a New Zealand Apprenticeship. Employers are required to contribute 20% to 30% of the cash costs of the training.

Trainees may also contribute to training costs, particularly if they are an apprentice. These costs can include provision of tools, assessment fees and a contribution to materials.

In contrast to provider-based training, trainees and apprentices can continue to earn an income while learning.

Provider-based training

Government currently subsidises around 70% of the cost of provider-based training via Student Achievement Component (SAC) funding. This funding varies by level and subject area. Learners are required to meet the remaining cost of study, including meeting living costs.

Government also provides some living cost support to learners in provider-based study, including living cost loans and student allowances. Eligible first-time learners can also get their first year of provider-based tertiary education fees-free, or their first two years industry training fees-free. Student support and Fees-Free policy settings are not being considered as part of the Reform of Vocational Education.

Further information on how much Government funds vocational education and training is attached as Annex 2.

How the quality of learning and training is assured

As well as TEO internal quality control mechanisms, the quality of vocational education and training is assured by:

- » The Tertiary Education Commission (TEC), which is responsible for funding TEOs. It has a key role in ensuring TEOs deliver what they are funded for in a given calendar year. The TEC also monitors the performance of TEOs, including monitoring their financial and governance capability, and conducts investigations into TEOs if it is concerned about practices or behaviours which may put student interests or government funding at risk.
- » The New Zealand Qualifications Authority, which ensures the quality of programmes of study and training, both provider- and work-based, and assures the quality and capability of providers and ITOs to deliver or arrange education and training.

The Ministry of Education has a system stewardship role, and it holds responsibility for leading the development of education policy, including for vocational education and training. It ensures that the policy and funding settings are appropriate and fit for purpose.

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

This document also comes with two supporting annexes. Annex 1 provides information on some high level statistics on vocational education and training. Annex 2 provides information on funding for vocational education and training.

Annex 1: Key system statistics (2017)

The following tables set out some key statistics about the vocational education and training system, for those in work-based and provider-based training. It provides a comparison with the system as at 2008.

How many people participate in vocational education?

Overall there were around 241,700 people who enrolled in some form of vocational education and training in 2017. This was a drop of 77,400 since 2008.

Where they train	Number enrolled (in 2017)	Trend (since 2008)
Total	241,700	↓ - around 77,400 fewer
Industry training	138,100	↓ - around 30,100 fewer
Polytechnics	65,300	↓ - around 38,400 fewer
Private training establishments	31,600	↓ - around 18,100 fewer
Wānanga	12,800	Unchanged

Note: Trend is rounded to the nearest 100. Count only includes those studying 0.03 EFTS or more in a year.

Demographics of those in vocational education

The median age of those enrolling in vocational education and training has decreased since 2008. The number of Māori and Pacific people enrolling in vocational education has decreased since 2008. However, since 2008, Māori and Pacific people make up a greater proportion of those enrolling in vocational education and training.

Characteristic	Data for 2017	Trend (since 2008)
Median age	29 years	↓ - it was 32 in 2008
Māori enrolments	51,800	↓ - around 12,300 fewer Māori
Pacific people enrolments	24,300	↓ - around 1,400 fewer Pacific People

Note: Trend is rounded to the nearest 100. Count only includes those studying 0.03 EFTS or more in a year.

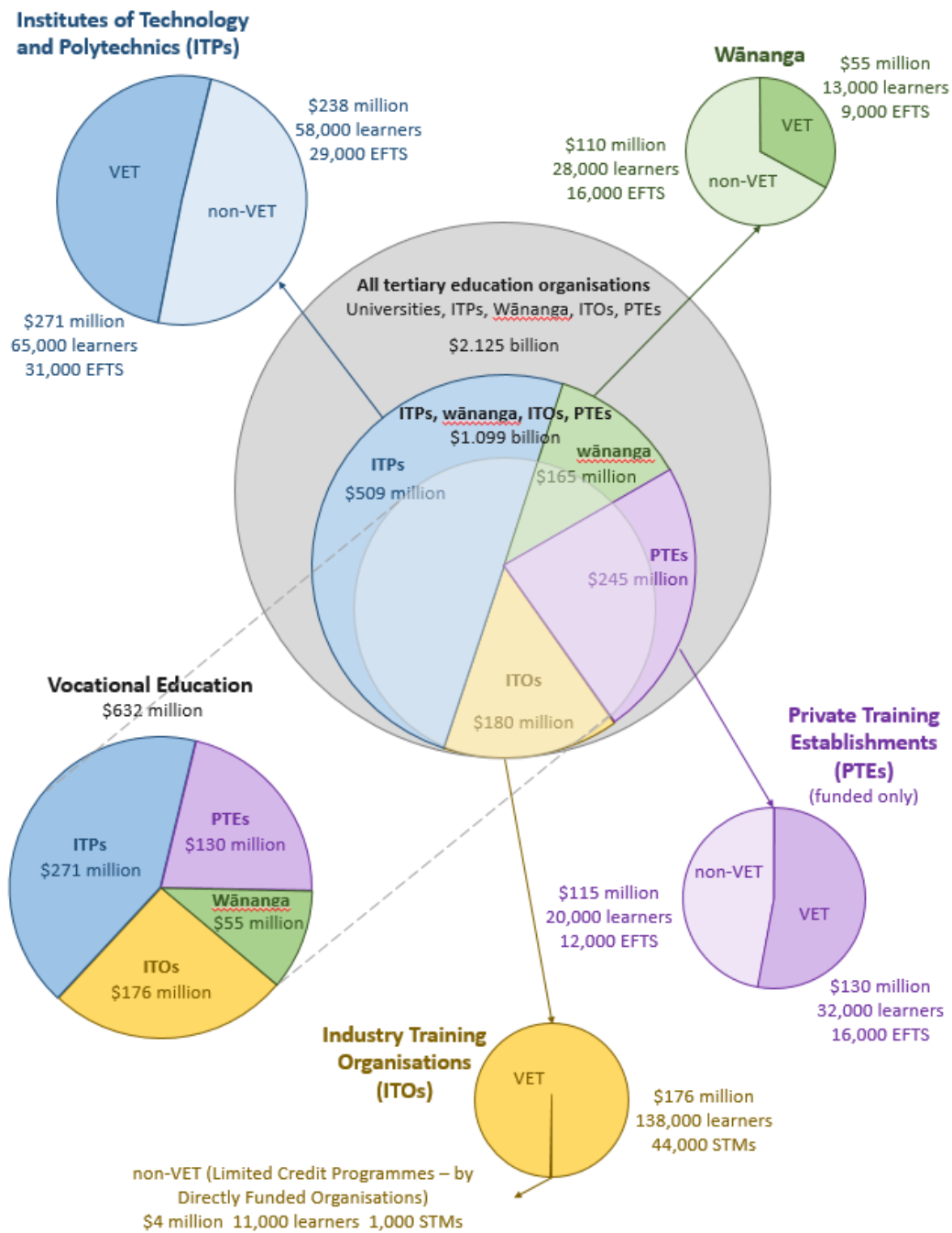
How many people completed a qualification?

The number of people completing a qualification(s) in a given year has increased since 2008.

Characteristic	Number of people achieving a qualification (in 2017)	Trend (since 2008)
Total	91,000	↑ - around 23,600 greater
Industry training	46,600	↑ - around 19,300 greater
Provider-based training (ITPs, PTEs and Wānanga)	45,000	↑ - around 4,600 greater
Number of Māori completing a qualification	19,800	↑ - around 6,000 greater
Number of Pacific people completing a qualification	15,600	↑ - around 6,200 greater

Note: Trend is rounded to the nearest 100. A learner may also be counted twice, where they have achieved a qualification through a provider and ITO.

Annex 2: Government funding of tertiary education (in 2017)



Note: STMs (Standard Training Measure) and EFTS (Equivalent Full-Time Student) refer to the study load of a learner. One STM and one EFTS equals 120 credits worth of study.