

## Information for staff of industry training organisations (ITOs)

The Government has announced its plan to create a strong and sustainable vocational educational system for provider and work-based training. 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.

### 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 at work and on campus, particularly to Māori and Pacific peoples
- » **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

### What it means for you

- » In the short term, activity at your ITO will continue as normal.
- » We'll work with your leadership to provide supporting material to share with you.
- » ITOs, the Tertiary Education Commission and industry will develop a transition plan to ensure the current functions of your ITOs can be handed over to Workforce Development Councils (established in cooperation with industry) and to vocational education providers. All transitions need to be completed by December 2022.
- » During the transition, you'll be provided with the information you need to continue in your role.
- » Your skills are valued and will be needed in the sector.
- » Over time, you'll likely experience change, but this transition will be carefully managed to ensure that disruption to trainees, apprentices, staff and employers is minimised.

- » **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 key 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.

## How does this relate to the ITO sector?

The changes cannot be achieved without significant change to all parts of the existing vocational education sector. This will result in a number of changes for those working within current ITOs.

We currently have two vocational education systems: an industry training system for apprentices and trainees through 11 ITOs, and another for students enrolled with providers. These providers are 16 institutes of technology and polytechnics (ITPs), three wānanga and more than 200 specialty private training establishments (PTEs). ITOs arrange work-based training, and providers deliver primarily non-work-based training, each with its own system of government funding.

Over time, these two systems have drifted apart. We need a single system so that all have clear roles to ensure that learners will have the right skills available to employers at the right time in the right place. The new system will bring down the barriers between training in a classroom and training in a workplace, so that people can move easily between the two, even within a single programme of study.

We acknowledge that the changes will have a significant impact on ITOs and their staff. However, the risks of not making changes are also significant; disruption now will strengthen the vocational education system for the long term.

## How are things changing for my ITO?

### Establishing new Workforce Development Councils

Workforce Development Councils (WDCs) will take over the responsibility for standards-setting currently held by ITOs. The Government will work with industry to set up around four to seven WDCs, covering most industries, between 1 April 2020 and June 2021. The standards-setting roles will move from ITOs to WDCs as these organisations are established and ITOs will lose their standards-setting role for industries covered by WDCs.

WDCs will get to decide whether programmes are fit to meet employers' needs, whether those programmes are primarily work-based, taught on-campus or online by a provider, or a combination of these. Unless a programme has the WDC's confidence – effectively, industry's confidence – it won't be approved and won't be funded. Industry will also be able to set core curriculum requirements by developing training packages.

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 Tertiary Education Commission (TEC), and determine the mix of training for the industries they represent and provide investment advice to TEC. But, given WDCs' oversight role, they won't be directly involved in running apprenticeships and other work-based training themselves.

All providers delivering a programme leading to an industry-developed qualification must assess students' work against standards and moderation requirements 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 learning.

### Bringing work-based and provider-based training together

Under the changes, ITOs' current role of working with employers to support them to deliver workplace learning and assessment for trainees and apprentices will be transferred to vocational education providers.

Providers will become responsible for arranging and supporting all vocational education and training.

The transition of the role of supporting work-based learning from ITOs to education providers will be carefully managed. Officials will work with ITOs in developing transition plans that will spell out the transition of functions to WDCs and to providers. We expect the transition to take some time – it will be expected to be completed by the end of 2022.

Priority industries (such as primary and construction sectors) would be likely to transition earlier than others.

This staged approach has a number of advantages:

- » Industries have choices about the timing and management of their transition.
- » ITOs are given time to prepare for handing over on-the-job learning to providers.
- » It provides a more structured process for the Government to ensure a well-managed transition that will maintain engagement by industry in structured training.
- » It recognises that the leadership of the Institute involves a major change process with the consolidation of the 16 ITPs, and allows for a careful process for transferring direct responsibility for supporting some work-based learning.
- » It acknowledges the concerns raised by some ITOs and employers about whether, emerging from the ITP sector, the Institute will initially have the necessary capability and culture to successfully support work-based training, including an orientation towards workplaces.

## **New Zealand Institute of Skills & Technology: national campus network**

The Minister of Education announced that legislation would be introduced in late 2019 to create the New Zealand Institute of Skills & Technology, otherwise known as the Institute, which will be formed to operate as a national campus network.

The Institute will be a new kind of organisation that all forms of vocational education and training, on-the-job and off-the-job, in a way that is culturally responsive. It will be a unified, sustainable, public network that supports work-based delivery, including apprenticeships, while also bringing together the existing 16 ITPs to operate as a national campus network. This will ensure that high quality vocational education will be available to all parts of New Zealand.

The Institute will be the cornerstone of a sustainable system of vocational education provision. Its national network will enable students and employers to transition between delivery sites and learning modes, so that the Institute can be a true long-term, skills training partner to firms operating both regionally and nationally.

The Institute will be initially formed on 1 April 2020 with each of the 16 ITPs becoming a subsidiary of the Institute for two years, with the aim of their incorporation into the Institute.

ITOs and the new WDCs will want to work closely with the new Institute to ensure there is fundamental change in how learning and support is delivered through all on-the-job and off-the-job training.

### **What does this mean for me?**

Your contribution in supporting learning in the workplace is very much valued. Employers will continue to need support in delivering training in the workplace, and this makes your skills just as important in the future as it is today. While we understand that the decisions made are wide-reaching, they'll help to move us towards a more sustainable, responsive and relevant vocational education for New Zealand.

Change is stressful and the vocational education reforms will impact on many people working within the sector. However, the new system of vocational education will be introduced in a managed way.

In the short term, activity at your ITO will continue as normal. We expect the transition to take some time. This will be a gradual process, starting with priority industries, for example primary industry and construction.

ITOs will continue to support employers to access national qualifications in workplaces before assisting with the transition of the arranging training function to vocational education providers by the end of 2022. The Government will work with industry, including ITOs, to design the transition – how WDCs will be established, and how providers would take on responsibilities for apprentices and trainees.

ITOs will continue to be recognised as the organisations to arrange training until this occurs; however, at some point, your role may transition to a new organisation.

A stakeholder advisory group will be established to provide officials with insights from stakeholders in vocational education to inform design, and implementation work during the transition to the new system.

### **What do I need to do now?**

The relationships you have with apprentices, trainees and employers are very important and will continue to be important in future. Over coming months, education officials will work with each industry and ITO to understand how the transition arrangements can be managed best for everyone involved. This will be managed on an industry-by-industry basis. ITOs will continue to be recognised as the organisations to arrange training throughout this period.

Your role will remain important and in demand. It is likely that you will continue in your current role, irrespective of whether your role shifts to a WDC or a vocational education and training provider. New roles will also be created to expand industry's involvement in vocational education. We need more support for on-the-job training, not less.

Specialists in certain fields may be invited to help establish a WDC or Centre of Vocational Excellence related to your industry.

## Questions and answers

### Why move the function of arranging workplace training from ITOs to education providers?

The Government has decided that, to fully address the weaknesses in our vocational education system in a timely way and with enough certainty, structural change enabled by legislation is needed. For the reforms to work, they must be system-wide, covering ITOs as well as all ITPs and the way we fund vocational education. Structural features of the current system drive ITOs and ITPs to compete over funding rather than collaborating to provide the best outcomes for employers, learners, apprentices and trainees.

Training will continue to be provided in the workplace, but providers will be responsible for this support. The system needs to change in order to better connect all vocational education with the workplace, but fundamentally employers will continue to be supported to provide this training in their workplaces.

### When are changes to operations going to start?

The new system of vocational education will be introduced in a managed way. In the short term, activity at your ITO will continue as normal. We expect the transition of the arranging training responsibilities from ITOs to vocational education providers to take some time. This will be a gradual process, starting with priority industries, for example primary industry and construction.

We'll work with industry to set up WDCs after 1 April 2020, when legislative changes are planned to come into effect, with the aim of completing the establishment by June 2021. Standards-setting roles will move from ITOs to WDCs as these are established. ITOs or industry-owned holding organisations will continue to support employers and their staff to access national qualifications in workplaces before assisting with the transition of the training arrangement function to vocational education providers by the end of 2022.

### What is going to happen to workplace trainees and apprentices?

The reforms will not have an immediate impact on workplace trainees and apprentices. Workplace trainees are encouraged to continue working towards their qualifications. Existing programmes and qualifications are continuing, and they'll continue to receive support for their training. At some point before December 2022, support for their learning will come from a different organisation. We'll work closely with education providers and ITOs to manage the transition to the new system and minimise any impact on apprentices and trainees.

### Who will support/guide apprentices and undertake assessments?

Providers will become responsible for arranging and supporting all vocational education and training, whether it takes place at a provider's facilities on campus or in a workplace. Training for apprentices and trainees will continue to be provided primarily by employers, but there may be greater flexibility for employers in determining the mix of training modes in future. Employers will still need specialist support in providing that training from experts currently located in ITOs.

### Will graduates still get a qualification from my ITO?

The awarding of qualifications will continue with ITOs for some time to come. At some point (at least for new trainees and apprentices) the qualifications will be awarded by vocational education providers.

### Will my graduates' current qualifications still be recognised in the future?

Yes. Qualifications recognised by the New Zealand Qualifications Authority and awarded through either ITOs or accredited education providers will continue to be recognised in the future.

### **How can employers expect to know where to go for industry training, if not through an ITO?**

The whole system of vocational education is being rebuilt around the skills needs of employers and learners. Employers will be able to access training for their people through the Institute, wānanga or PTEs. Employers will also be able to influence education provision through the industry-led WDCs.

### **How can I learn about what people said during consultation?**

On the Kōrero Mātauranga website, you can read the 'What we heard: Summary of public consultation and engagement' document, which provides an overview of feedback received during the consultation period.

### **What's next?**

We'll continue to work with your ITO in the coming months to ensure you're supported throughout this process.

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.

[Sign up to our newsletter update.](#)

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