

What we heard

*Summary of public consultation
and engagement*

Reform of Vocational Education



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Acknowledgements

To everyone who took the time to participate in our consultation process – thank you.

The Reform of Vocational Education represented some of the most significant changes proposed for the tertiary education sector in more than 25 years. The level of engagement we received – from stakeholders of all cultures, employment types, educational backgrounds, regions, genders and walks of life – demonstrated just how important these changes are to New Zealand, both now and in the future.

Many people invested time and energy into understanding and providing feedback to the Government's proposals to reform vocational education in New Zealand. Consultation and engagement was conducted jointly by the Tertiary Education Commission and the Ministry of Education.

We appreciate the time taken to meet with us, attend our events, write submissions, and contact us via the Reform of Vocational Education hotline. Most of all, we appreciate your interest and insights.

We wish to acknowledge the organisations and individuals around New Zealand who provided space and coordination support to ensure that we were able to have meaningful conversations right throughout the country and include the widest possible variety of perspectives.

We would like to specifically acknowledge the institutes of technology and polytechnics (ITPs) and industry training organisations (ITOs) that allowed us to host engagement events, and provided us with an important opportunity to engage directly with you.

We would also like to thank Business New Zealand, the Industry Training Federation and a number of local iwi groups for their assistance in arranging, hosting or facilitating events throughout the consultation period.

“Thank you to everyone that took time out of their busy schedules to participate in the Reform of Vocational Education consultation process. As Minister of Education, I appreciated the chance to hear the views of many people first hand, and I am heartened by the sheer volume of submissions received. This demonstrates just how important these reforms are to New Zealand, and New Zealanders. We all have a part to play in ensuring we create a sustainable and dynamic vocational education sector for the future of all New Zealanders, and I thank you again for being a part of that.”

Hon Chris Hipkins, Minister of Education

“We are thrilled at the level of engagement we received through our combined consultation process. This process has provided us the rich contextual information needed to help inform our recommendations, and we thank you for the time you have taken to share your thoughts, frustrations and concerns.”

Iona Holsted, Secretary for Education

Tim Fowler, Chief Executive, Tertiary Education Commission

To the more than 5,000 people that attended our events, and the nearly 3,000 people that penned their thoughts during the consultation process – thank you.

He aha te mea nui o te ao

What is the most important thing in the world?

He tangata, he tangata, he tangata

It is the people, it is the people, it is the people

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Background

The Reform of Vocational Education is one of four ‘big reviews’ that form part of the Minister of Education’s Work Programme. The Government aims to create 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. The proposals include fundamental reforms to create a sustainable, nationally and regionally networked vocational education system that will better meet the needs of learners and employers and link provider-based and work-based training.

This paper provides information about the public consultation and engagement process for the Reform of Vocational Education, and summarises the feedback submitted during the consultation period, which ran from 13 February to 5 April, 2019.

The consultation process for the Reform followed two reviews conducted in 2018 – the Vocational Education and Training (VET) system review and the ITP Roadmap 2020. A **factsheet** outlining the two 2018 reviews is available on the **Kōrero Mātauranga website**. Findings from those reviews were considered when forming the Government’s proposals for the Reform of Vocational Education.

The Reform of Vocational Education had three main proposals:

Proposal 1: Redefined roles for industry bodies and education providers - redefine the roles of education providers and ITOs, and extend the leadership role of industry and employers across all vocational education through new Industry Skills Bodies (ISBs).

Proposal 2: Create a New Zealand Institute of Skills & Technology with a robust regional network of provision - create an institution, with the working name of the New Zealand Institute of Skills & Technology (NZIST), bringing together our 16 public ITPs as a single entity.

Proposal 3: A unified vocational education funding system - create a unified vocational education funding system, removing barriers to collaboration and flexibility, ensuring a sustainable network of provision, and supporting the wider reform

What happens now?

The Reform of Vocational Education consultation created a forum for important input into the information considered to provide recommendations to the Minister of Education on the proposed reforms. These recommendations, along with specific information helping to inform them, was considered by Ministers before making a decision on the proposals on 22 July 2019. Officials are now working through the process of drafting legislation, as well as implementing the operational decisions required to support the establishment of the new vocational education system.

It’s important for people to know that the conversation about vocational education continues, but with a focus on the implementation. We will continue to engage with learners, employers, Māori and across the sector, to ensure that their ideas and suggestions are reflected in our new system. Stakeholders will also have a chance to put forward their views as part of the Select Committee process.

A glossary of acronyms used in this document is included in Appendix A.

During the engagement process

Our consultation period was held over an intensive seven week period. Over this time, we held approximately 190 conversations at 23 locations across New Zealand.

Our consultation process aimed to:

- *Strengthen Māori relationships and engagement with the sector, key stakeholders, and communities, to share information and build a cohesive understanding of the current state challenges and opportunities, and the vision for the future.*
- *Genuinely listen and facilitate inclusive discussion and wide interest.*
- *Invite meaningful feedback to support decisions.*

We talked to employers, industry, people within all parts of the education sector, learners – including international and domestic learners, trainees, apprentices, adult students and extramural students - Māori, Pacific peoples, people with disabilities, government agencies, local government, regional stakeholders, and academics. In total, more than 5,000 people attended these events or meetings.

We received 2,904 submissions on the Reform of Vocational Education proposals. These included individual email submissions, survey responses, templated submissions and submissions formed from feedback received at events. We also used social media to engage a wide variety of stakeholders. Total reach across all social media activity was 41,465¹.

For more information on how feedback was received from stakeholders, please see Appendix B. Some organisations engaged in campaigns and/or provided templates for stakeholders to fill and submit. This appendix also includes a summary of the major campaign submissions and form templates used. Specific details on the Skills Active Aotearoa and other industry related campaigns are on page 36. Details on the Stand Up for SIT and UROP campaigns/form submissions are on pages 52 and 53 respectively.

¹ **Social media reach** is the unique number of people who have seen our content delivered through their social media feed on Facebook and Instagram.

How to read this document

We've carefully reviewed all of the feedback we received.

This summary document is organised under the following sections:

- *A general overview of what we heard (and key themes)*
- *What we heard from Māori*
- *Responses to questions in the Reform of Vocational Education consultation discussion document (available on the Kōrero Mātauranga website). Those questions are reprinted in the margin of this summary as a reader guide.*

The overall reflections on the Government's proposals and their impacts are summarised first, followed by the general themes identified by key stakeholders. We also summarised what we heard from our Māori relationships and Pacific stakeholders.

This is followed by separate sections on each of the three main proposals. We have summarised what you told us under the topic of best fit, rather than repeat it.

We've included quotes that represent a wide variety of specific views of individuals and organisations, as expressed in individual submissions. Where organisations have self-published their submissions, we have attributed their quotes. In other cases, we have taken care to identify the perspective of the submitter where it can be drawn from the rest of the submission, without identifying individuals.

Additional feedback on the technical detail of these proposals is available in the 22 July 2019 Cabinet papers related to the Reform of Vocational Education.

Understanding the numbers

We have identified both the total number of submitters and the number of unique submitters in regards to specific questions. For the number of unique submitters, form and campaign submissions are counted as a single submission. More information on form and campaign submissions is included as Appendix B.

The Government was specifically interested in building into the system better support for Māori and Pacific peoples. We spoke with many people through community meetings, hui and fono to understand these perspectives.

Only 14% of submitters (397 people) identified their ethnicity. A greater number of submissions spoke on behalf of the perspectives of Māori and Pacific peoples, or showed an interest in Māori and Pacific learner success. Therefore, we have not broken down submission type by ethnicity in this document, and instead have summarised feedback that shows an interest in Māori and Pacific learner success.

Please note that when we use the term 'submitters', this includes feedback from people who participated in engagement events.

An overview of what we heard

Through our consultation period, we heard broad agreement that New Zealand's vocational education system can be improved. The scale, scope and type of change required, as described by submitters, depended on their specific interests and experiences with the current vocational education system.

Please note that an overview addressing what we heard from Māori starts on page 17.

What do you think the Government needs to understand about the current system to inform its work on changes?

- Consultation document: The current system

Most submitters agreed the vocational education system needs to change

Submitters generally recognised the vocational education system is not working as well as it should be.

They acknowledged there is competition and duplication in the vocational education sector between individual ITPs, but also between ITPs and ITOs, and other educational providers. Submitters noted the problems of overlap and duplication across the system were aggravated by a funding system that incentivises competitive behaviours from educational organisations, often at the expense of outcomes for learners. In addition, it was noted that ITOs and providers are required to apply for funding on an annual basis, which does not allow for long-term planning. Submitters also acknowledged the fundamental issues with some parts of the ITP sector, as evidenced by Government intervention over the past few years.

"The current system has not worked for a long time and something needs to be done. If this is done well it will make a significant impact"

Employer

"... one of the key things that needs to be fixed both at the single ITP and throughout the country is [recognition for prior learning] as it leads to students wasting time, dragging workforce formation, etc."

ITP student

A total of 745 submissions commented on the need for change



Of people who commented on the need for change, 74% agreed that change was needed (when forms and campaigns were counted once) and 27% disagreed. The total is more than 100% because some people agreed or disagreed with parts of the proposal, but not the proposal in total.

Results were similar when all form and campaign submissions were counted as individual submissions.

Some submitters noted that the vocational education system has been in a state of perpetual change for some time (e.g. "constant staffing and structural reviews"), and people who work in the vocational education sector have change-fatigue. These submitters believed that large, conclusive change is needed to reset the system, instead of 'tinkering around the edges'.

There was a desire for greater opportunities for students to transfer within the system, for improved ease of transition between various types of delivery, and for a funding model that differentiates funding based on elements, which may include (but not be limited to) location, learner group or delivery model.

Submitters noted that skills gaps that exist in many industries in New Zealand could be addressed through an improved vocational education system. Although views varied based on individual experience, many submitters said

the vocational education system is not sufficiently responsive to employers and industry.

Support for the rationale for change was mixed

Submitters were, in many cases, against some part of the reform proposals – or the need for change – due to the risks for their industry, sector, region or success of delivery.

Submitters who disagreed with the proposals did not agree there were fundamental problems with the system, and believed that the current system – in whole, or in part – worked well.

A number of submitters commented on the current state of the ITP sector, and felt this was being used as the rationale for wider system reform. In some cases, they considered the proposed changes to be unfair for successful ITPs, for some regions, or for ITOs. These submitters stated that the proposed changes would not address the real issues and problems with the system, that they were unclear on how the changes will improve the system, and/or that the proposed changes could create uncertainty around education and training. In addition, some concerns centred on the lack of detail provided in the documents.

A summary of key feedback received on the overall proposals is included below, listed by stakeholder group.

Key feedback listed by stakeholder group

Some employers and industry groups were dissatisfied with the current industry training system, and wanted to see change. Others believed that ITOs provide better quality services at a lower cost than ITPs do. Employers from specific industries and regions tended to be opposed to the proposals. Many employers noted that they wanted more detail on what the proposals would mean for them in practice. A number of submissions and stakeholders also expressed concern about the potential opportunity and productivity costs of the proposals, and the risk of employers disengaging from industry training during any transition, with an impact on training volumes.	ITP students considered that their voice is currently not well supported, resulting in poor representation and lack of ability for student groups and associations to contribute to issues concerning them. They are concerned that greater industry influence might crowd it out further. They felt learner voice needs to play a much greater role within all parts of the system.	Apprentices were concerned about a potential loss of support from the ITO, or a decrease in on-job training.	Regional stakeholders , such as local government and economic development agencies, were concerned about the loss of control for ITPs within their regions, and about ensuring that those regions with cash reserves are able to spend those within their region. They were also interested in regional representation, and many supported change that would allow for greater and more sustainable regional provision.
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“Mostly the description of the problems are accurate. However there needs to be more hands on training in some areas and that often needs to take place in the workplace rather than in a classroom.”

Learner

<p>The majority of ITPs and their staff agreed in principle that change was required.</p> <p>ITPs were also generally in agreement with the major proposals, provided they were delivered as an interrelated package of reforms.</p> <p>There was also concern expressed about the potential loss of regional connectedness, decision-making and influence in a consolidated central Institute. Staff were also concerned about how provision could impact on higher education at ITPs.</p> <p>There were pockets of opposition also, mainly around the concept of single national entity and loss of current regional autonomy. A number of staff were also concerned about aspects specific to their individual roles at ITPs.</p>	<p>Most ITOs and their staff agreed that parts of the system need to change.</p> <p>Many ITO submissions noted that the funding system needs reform, that many ITPs are struggling financially, and that there needs to be improved clarity around roles and responsibilities of system stakeholders. Many ITOs also appeared to agree that better engagement with industry and employers was needed to grow the number of skilled workers in New Zealand. All ITOs supported that the arranging training function should stay within ITOs (or ISBs). ITO staff agreed that parts of the system needs improvement, but they were less convinced about the changes proposed for industry roles (particularly the proposed removal of the arranging training function).</p>	<p>Māori and iwi broadly supported the rationale for change, but emphasised the need for their participation in both the design and implementation phase of any new system, representing the interests of their people.</p>	<p>Pacific peoples were supportive of system change that could increase opportunities for Pacific learners, but noted their desire to be involved with the design of any new system.</p>
<p>Community members expressed their views that change was needed and the reforms were courageous, although ambitious in many regards.</p>	<p>Standard setting bodies and occupational regulators agreed the need for change in general. They saw the reforms as an opportunity to significantly change the system, however were not convinced that the case had been adequately made for role changes to industry bodies and providers.</p>	<p>Unions generally agree with the three proposals made by the Government. They highlight the need for ongoing consultation and engagement with unions, staff and learners, and the need to ensure the Treaty principles are embedded.</p>	

Many submitters expressed their aspirations for a new system

These aspirations tended to reflect the matters raised as current system issues. They included:

- Removing competition and duplication in the vocational education sector.
- Strengthening the vocational education pipeline, and taking steps towards closing skills-gaps.
- Ensuring that the vocational education system in New Zealand is robust and sustainable, preventing further Government stabilisation.
- Making transfer easier for students within the education system (including the secondary-tertiary interface)
- Setting up a fair and equitable funding system, which incentivises desired behaviours across the system.

“We collectively agree creating Industry Skills Bodies is a positive move, providing a voice for industry in the design and development of qualifications and removing one potential (and real) source of competition from the system.”

Iwi

Reform of Vocational Education

Summary of submissions and engagement from the Reform of Vocational Education consultation period

“The proposed system appears to enable a more balanced workforce to evolve at all skill levels, which is important for us as the present system is patchy in this regard.”

Employer

What do you think about the impacts described above? Is anything big missing from the list?

- Consultation document: Concluding questions

“If the proposals work as intended, there is also the opportunity for a more strategic approach to what training the government funds. This might mean channelling funding to good programmes and away from poor ones, and a more coordinated approach to addressing skills shortages.”

Industry association

- Improving the quality and consistency of qualifications and programmes offered through providers.
- Increasing participation in the vocational education system by groups that aren't well-represented at the moment (such as women for some industries).
- Creating more opportunities, and better outcomes, for Māori and Pacific learners.
- Encouraging and increasing support for re-training and life-long learning.
- Enhancing New Zealand's international reputation for vocational education, attracting more students from overseas.
- Strengthening the regions within New Zealand.

Some submitters noted that there is an opportunity for the scope of this reform to be broadened, and look into all tertiary education and potentially secondary schools as well, creating an integrated education system.

Submitters provided a wide range of feedback on possible impacts resulting from the proposals

Submitters highlighted there are many potential impacts on all aspects of the vocational education system and on a wide range of stakeholders.

Uncertainties around the proposed reforms made it difficult for many submitters to predict the likelihood or magnitude of potential impacts.

Several submitters highlighted that whether impacts on stakeholders turn out positive or negative is largely dependent on how the reforms are implemented, and how the transition is handled.

A table of selected key concerns raised by various stakeholders, or specific to individual stakeholder groups, is included on the following two pages.

Key impacts raised by various stakeholder groups or specific to individual stakeholder groups

<p>ITP students were concerned about reputation, brand and student choice. More information on the potential impacts on learners is included in the following section.</p>	<p>Trainees and apprentices in specific industries were worried that the Institute would not provide them with the same level of support as their current ITOs. Many believed the only educational organisation that would be able to deliver training was the Institute, and did not understand that wānanga or Private Training Establishments (PTEs) may also be able to deliver training. Other trainees considered that they weren't well supported by their ITO – so supported the proposed changes.</p>	<p>ITPs were concerned about losing the ability to respond to their regions and learners, if consolidation was too great. They were also concerned about the potential disengagement of learners, particularly international learners. Specific information on feedback from ITP staff is included underneath this table.</p>	<p>Māori and iwi wanted to ensure that any changes resulted in greater opportunities and success for Māori learners, and that the principles of the Treaty of Waitangi were incorporated into the fabric of any new institution formed. More information on the potential impacts on Māori and iwi are included starting on page 17.</p>
<p>ITOs were concerned about the impact of the proposed transfer of arranging training on the continuity of delivery, and the capability of educational providers. Specific information on feedback from ITO staff is included in the following section.</p>	<p>ITOs, ITPs, employers, industry and learners were all concerned about disruption to the vocational education sector.</p>	<p>Secondary schools and careers advisors were concerned about ensuring that current relationships with the secondary system were retained at a local level, and that the 'mana' and reputation of vocational education was raised, including through careers advice.</p>	<p>Regional stakeholders wanted to ensure that regional operations of the Institute were able to respond to their local, unique needs, and that the Institute facilitated international delivery throughout the regions of New Zealand.</p>
<p>Unions noted the opportunity to better integrate New Zealand's systems of employment support, vocational education, social welfare, and immigration. They expressed concern about the increased focus on micro-credentials over a coherent education.</p>	<p>Wānanga emphasised that their freedom to operate and develop as institutions with significant autonomy, and the resources available to them for provision should not change as a result of change. Wānanga were concerned about the implications of a reformed funding system.</p>	<p>Some submitters were concerned about how the structural and management changes within the proposed Institute would impact on non-vocational provision, particularly foundation education, degree level provision, te reo and tikanga Māori.</p>	<p>Submitters felt that the reforms created an opportunity to make the vocational education system more accessible to people with disabilities, and to improve support within the system (including pastoral and financial support).</p>

Some international students were concerned that name changes to their ITP may mean that their qualification would no longer be recognised in their home country.	Some submitters were concerned about the impacts of the reforms on women trying to access education, particularly in nursing qualifications.	A number of submitters considered there were opportunities to design a new system to better support Pacific learner success, while some submitters highlighted the risks of disrupting parts of the system that they consider are working well for Pacific learners.	Submitters identified an opportunity to develop relationships between universities and ISBs, particularly where ISBs represent sectors employing degree-qualified graduates.
Several submitters were concerned that flexible, local learning arrangements – important to those needing to retrain for career change – may be lost through the consolidation of ITP functions. Conversely, some considered there was an opportunity for the Institute to raise the profile of distance education, alongside face-to-face delivery, to facilitate learners wishing to make career changes.	Several submitters thought that degree provision provided by ITPs should be within the scope of the reforms. Others felt that the reforms should go even wider to include university and wānanga provision. They considered a more holistic approach would ensure alignment across the full spectrum of learning and would support clear pathways from lower-level vocational education into higher-level study.	Submitters from Southland and Otago were particularly concerned about the negative impacts that the proposed reform could have on their region. They believed that fewer people may choose to study and live in Southland and Otago, which will have a negative impact on local businesses and the community. They perceived the proposed changes as an attempt to take away what the community and local ITPs have worked hard to achieve.	Submitters considered that PTEs could benefit from more involvement in work-based learning. Some submitters also saw an important role for PTEs in supporting the transition to a new system, in light of on-job learning. Some submitters were concerned that the role of PTEs in the new system may be weakened, in particular that the Institute may ‘crowd out’ provision by PTEs.

What we heard from ITO and ITP staff

Staff at ITOs and ITPs fear that they might lose their job, or that their job will change significantly.

“The announcement has been generally received well, but everyone is concerned about how it will affect them personally.”

Works for an ITP

Many have change fatigue, as they believe the sector or their institution has gone through several reforms or mergers over the past 5-10 years.

Current ITO staff said they would more likely seek employment in their industry rather than with providers, which they noted may drain current capabilities and skills from the training sector. ITO staff felt that there was less assurance throughout the process about what the changes meant.

ITP staff noted a lack of clarity about the implications for them and thought that the uncertainty would lead to attrition in the sector and in the regions.

Submitters from ITOs and ITPs expressed their wishes that any job losses be managed in a respectful and positive way. Submitters also noted there needs to be structured communication, change management and planning for workforce development throughout the transition.

How could the new system best ensure that specific learner groups can participate and achieve in vocational education?

- Consultation document: Concluding questions

“The focus should be on the learner, and not all learners are equal. My concern is that regional inequality and challenges may not be adequately addressed by a centralised model and a strategy to ensure the learner's needs are met should be integral to the solution proposed.”

ITP Student

How might different groups of learners be impacted by the proposals?

- Consultation document: Concluding questions

“The idea of designing qualifications so that students can build onto (or ‘stack’) them is sound as it promotes flexibility and life-long learning.”

Someone who works in the education sector

Many students see the proposals as an opportunity to improve learner outcomes, and so support the proposals

In general, student representatives supported the outcomes of the proposals.² Students currently studying at an ITP were concerned about how much they can influence decision making in the proposed Institute, at both the national and regional level. Students proposed including staff and student voice on national and regional councils.

The views of trainees were mixed. Trainees in specific industries noted concern that the Institute would not provide them with the same level of support as their current ITOs. Some apprentices (or employers of apprentices) noted that the current ITOs did not provide adequate pastoral care support.

Students noted that they would like to know more about whether the cost of training would increase, and how disruption to active study would be managed. Trainees are particularly concerned that their cost of training will increase – or that their ability to earn while they learn will be disrupted.

Many submitters suggested how the proposed reforms would impact on learners

Many people (not necessarily learners themselves) had a view about the effects of change on learners, about getting the best learner outcomes, about how learners should be at the centre of the reforms, about the importance of pastoral care, and other priorities.

Submitters who identified benefits for learners suggested there should be:

- Improved quality and consistency of qualifications and programmes offered through Polytechs and other providers.
- Seamless pathways and transitions for learning.
- A better ability to recognise needs and retrain.
- A greater focus on student needs.
- Greater awareness and more of a linked up approach towards education.

Those who identified poorer impacts on learners were mainly concerned with the disruption any changes could create for learners. On balance, more submitters focused comments on potential negative impacts than benefits. Other impacts suggested included:

- Increased cost and debt for students.
- A lessened student experience.
- Substandard training, resulting in employers needing to retrain.
- Increased travel to attend campuses.
- Service not customised to student need.
- Removal of student choice.

² Outcomes of the proposals are outlined in the consultation discussion document, [available online](#).

Stakeholders were interested in impacts on international learners

Several submitters highlighted the valuable economic and cultural contribution international students make to regional economies and communities, as well as current educational providers.

Some submitters considered that the Institute would have greater capacity and global access for marketing New Zealand to international students. Others felt that the proposals should aim to more evenly distribute international learners across the regions, noting that around one third are currently based in Auckland. Several submitters commented that a key aim of the proposals should be to reduce providers' reliance on funding from international students, while others noted the valuable financial – as well as cultural – contribution of international students.

However, some submitters raised concerns that the recruitment of international students would be centralised within the Institute, and that regions would not be able to leverage local relationships to attract students to their region.

Submitters also raised concerns that the reputation of New Zealand's vocational education system was damaged by the implication that it was currently "broken". They considered that possible reputational damage, combined with the timing of the Ministry of Business, Innovation and Employment's proposed changes to immigration settings, may lead to a drop in international students.

How might different groups of learners be impacted by the proposals? In particular: What unique issues or opportunities arise for disabled learners and learners with additional learning support needs?

■ Consultation document:
Concluding questions

"Disabled learners have largely been barred from entering into study, particularly in regional areas, where institutes have struggled to be inclusive and ensure they have the services they need. Learner support has been decimated and so has disability support. These areas need support to function well."

Industry professional

For people with disabilities, access was a key issue that could be addressed to improve participation

The need for flexible education delivery that is tailored to the needs of learners was repeated in many submissions, including those related to people with disabilities. Submitters felt that the reforms created an opportunity to make the vocational education system more accessible to disabled learners, and to improve support within the system (including pastoral and financial support).

Submitters emphasised that future work on the reforms should include continued engagement and partnerships with disabled people and stakeholders in the disability sector.

Several submitters indicated that the unified funding system should be designed to better support disabled learners' success. Several submitters highlighted the importance of existing programmes and initiatives that worked well for disabled learners, and that these should continue.

A few submitters with additional learning support needs raised concerns that the Institute may favour distance provision for foundation education when face-to-face provision was more appropriate for those learners.

A total of 20 distinct submitters addressed the needs of people with disabilities.

How might different groups of employers be impacted by the proposals? In particular: What unique issues or opportunities arise for small and medium-sized enterprises in the proposed new system? What unique issues or opportunities arise for Māori enterprises in the proposed new system?

■ Consultation document:
Concluding questions

“We like the focus of workplace learning and ease of movement regarding on-job and off-job training. The weakness we see ... is that there is a possibility for disruption to students if a transitioning to workplace learning isn’t cognisant of other (unintended) costs that the employer may have to bear.”

Chamber of Commerce

What other ideas or models do you think we should be considering?

■ Consultation document:
Concluding questions

“This system is not broken our ITO is a great example of an interaction with SME that functions well and delivers good outcomes.”

Employer

Employers have a range of concerns about the potential changes to industry training

Employers who said their needs are not currently being met, or who have had negative experiences with the vocational education system, generally welcomed the proposed changes. Several submitters considered the current system isn’t working, and that any change would be positive. Others said that several or all of the proposed changes are exactly what the system needs, such as removing competition and duplication, clarifying roles, and reforming funding. However, several of these submitters noted that whether they would be better or worse off depends on successful implementation.

Employers who said they currently have their needs met by the vocational education system were generally opposed to the proposed reform, as they believe they will be worse off than under the current arrangements. Many of these submitters expressed concern that fees could go up, the quality of training and education will go down, regions and communities could be adversely impacted, care and support for learners and businesses could deteriorate and fewer people would engage in vocational education.

Specific worries / impacts for small and medium-sized enterprises were:

- Having their voice heard in the new system. Employers who enjoy regular site-visits from their ITOs feel that they receive a personalised and tailored service from them. They fear this won't be the case in the new system, where they have to engage with a large entity like the Institute.
- Having to spend more money, time and effort in dealing with administration related to getting and training apprentices. They argue that small businesses don't have the resources to spend on this.

Other ideas and models

Submitters had varying feedback on the proposed models

Many submitters considered the proposed changes to be too drastic, and that the vocational education system needs several smaller interventions. However, there are some that believe the changes do not go far enough, and that the scope of the reform should include all tertiary education, including universities. Others argued that secondary schools should be looked at as well.

Specific models and change paths presented for Proposals 1 and 2 are included in the relevant following sections of this document.

How might different groups of learners be impacted by the proposals? In particular: What unique issues or opportunities arise for Māori learners in the proposed new system?

■ Consultation document:
Concluding questions

“Following in the footsteps of their ancestors, [iwi] members are leaders and lifelong learners who determine their own future. The current vocational education system persistently underserves [iwi] learners.”

Iwi submission

“We have agreed that the RoVE must take into account, and be co-designed with the following underpinning principles:

- Mana Ōrite Tiriti ...
- Prosperity through Regional and Community Sustainability...
- A Life-course Approach to Learning...
- Mana of Mātauranga ā Iwi for Educational Success...
- Intergenerational Wellbeing...”

Iwi

What we heard from Māori and those interested in Māori learner success

Whāia te iti kahurangi kit e tūohu koe me he maunga teitei.

Aim for the highest cloud so that if you miss it, you will hit a lofty mountain.

Māori make up a significant and growing proportion of learners in vocational education (52,000 or 21 percent), with Māori men and women participating in roughly equal numbers. Around half of these learners are currently in work-based learning organised through industry training organisations (ITOs), one-third are learning through ITPs, and the remainder through PTEs and wānanga.

Māori are also significant employers with particular social, cultural, and economic goals. They are particularly important for regional New Zealand and in the primary and export sectors, with an estimated national Māori asset base valued at over \$50 billion.

However, there are currently inequitable education and employment outcomes between Māori and non-Māori. Although Māori participation in vocational education is high, Māori learners tend to participate at lower levels of study, are more likely to be involved as trainees rather than higher-level apprentices, and are more likely to be in lower-skilled, lower-paying employment. Furthermore, Māori are over-represented in jobs that are at higher risk due to technological change.

The reforms Government proposed had the aim to help support Māori to achieve their social, cultural and economic goals, noting that better results and improved achievement are not only beneficial for Māori; they have wider benefits to communities and industry.

Our engagement process involved specific engagement with Māori, through 13 hui held throughout New Zealand. Information on the consultation undertaken with these stakeholder groups is included in Appendix B.

A total of 217 submissions (209 excluding form and campaign submissions) were received that discussed the implications of the proposed reforms for Māori learners.

A strong majority of Māori submitters supported redefining roles for industry bodies and education providers, creating a single Institute, and creating a unified funding system.

Submitters sought clarification on how the Māori/Crown partnership would be upheld in the new system

A wide range of submitters noted the obligations and importance of upholding the Treaty of Waitangi/Te Tiriti o Waitangi in the Māori-Crown relationship, and the creation of any new vocational education system.

Submitters considered that a new system should understand and respond to the diverse needs of Māori and iwi throughout Aotearoa. This includes social and economic needs, at the regional and at the more local learner and community level. Many submitters felt that the reforms needed to be developed specifically to support the needs of Māori learners. Several submitters considered that the Institute should protect and develop te reo Māori and mātauranga Māori qualifications and delivery. Submitters also emphasised the importance of retaining and building on existing relationships

“As a provider of Māori Pacific Trades Training Programme, our biggest challenge has been the inability to provide learners with the options of on and off job training to fit with their life circumstances and preferred method of learning. The proposed changes will enable this to happen, although further work will need to happen with TEO’s as to how on job training will be delivered.”

PTE

between providers and Māori representatives, iwi and hapu, especially where they are working well.

Submitters indicated that to improve outcomes, including participation for Māori, there needs to be improved access built into any new system. In some instances, submitters suggested co-design processes to help address current access issues. Suggestions to increase access for Māori learners included the funding of foundation and other courses that bridge skills gaps, and on job-training allowing Māori learners to engage in the various environments and locations that Māori want to learn, including, provider-based, on-the-job, distance learning and within their community.

A submitter cautioned that the homogenisation of courses will not work well for Māori learner success. The system needs to be able to adapt to the needs of local peoples, and students with specific learning needs.

In general, Māori supported the need for change

One of the key messages we have heard from Māori on the proposals is that there is a need for change in the system to better support Māori learner success.

Stakeholders with an interest in enabling Māori learner success are interested in:

- Māori and iwi gaining decision-making responsibilities at both national and regional levels.
- Understanding how the reforms will facilitate improved engagement with, and support for, hard-to-reach groups - such as people not in employment, education or training and those in small rural communities.
- Ensuring that the reform is learner centric – Māori are particularly interested in how the Institute would provide pastoral care for learners.
- Ensuring that older Māori learners are supported by the new system, including through any transition period.

Some submitters are worried that the proposed structures would not work well within te ao Māori. They frequently raised the need for regional representation to engage with mana whenua, local tribes or hapū, and Urban Māori Authorities. Stakeholders are concerned that institutional relationships between iwi, hapū and ITPs may be lost as a result of the merger, and that this may have flow on consequences for the quality of provision and pastoral care of Māori students.

Some ITPs and wānanga have developed programmes tailored to Māori learners, in order to improve access to and relevance of learning for Māori and pathway them into higher level learning. Submitters expressed the need for these to be supported in a new system.

Some Māori are interested in understanding how any funding system changes would support Māori learners who require additional support to enter and complete a vocational qualification. A few submitters noted the importance of including Māori education across all providers – not just wānanga – providing learners the opportunity to choose across a wide variety of qualifications and learning areas, alongside all other students.

“Although much of the provision wānanga offer will not be in the scope of the changes proposed in the Reform of Vocational Education, as there will be a significant change to the foundational structure of vocational education as a whole, there is the risk that the vocational qualifications that wānanga do offer will be effected.”

Wānanga

“The integration of Māori and Pacific ways of learning into curricula at a local level, integration of tikaka Māori and Pacific culture into all programmes of education, integration of te reo Māori throughout the sector & programmes, integration of learning methods suited to a variety of disabled learners, and adequate support services for these learner groups are a start... but we need their voices at all levels of decision making.”

Works in the education sector

Wānanga want assurance that changes won't affect their autonomy

Some submitters asked about the role of wānanga in the future system. They were interested in understanding what the arranging training function would mean for wānanga, and how wānanga would interact with the different parts of the system.

Through ongoing dialogue with wānanga, several key themes emerged; the combined views of wānanga are presented here, although not all wānanga commented on the same topics:

- Wānanga have emphasised that their freedom to operate and develop as institutions with significant autonomy, and the resources available to them for their provision, should not be impaired by any changes.
- While broadly supportive of the rationale for the unified funding system, wānanga were concerned with how the funding changes could apply to them, particularly given the limited detail in the consultation material.
- Wānanga could see value in aligning their vocational programmes with the qualifications developed by ISBs, and in involving ISBs in the development of programmes, as this would demonstrate that their graduates met the industry-defined standard. However, they were concerned that ISBs' skill standards might not align well with kaupapa and mātauranga Māori frameworks, or deliver to the needs of Māori businesses.
- Wānanga want greater clarity about what change process means for them, including greater understanding about the impact of the proposals on the sector. They asked for closer and more meaningful engagement in the future – a 'partnership approach'. They are particularly concerned that a lack of engagement will lead to unintended consequences for the wānanga sector.

Opportunities for Māori enterprise to influence local training and workforce development

Some submitters commented that they believed the current vocational education system does not work for Māori businesses, and identified opportunities for employers and Māori enterprise to influence their local training and workforce development. Māori employers emphasised that they wanted to have their voice heard in the new system. They are concerned that they will struggle to engage with a large entity like the Institute.

Māori have commented on engagement to date

Some Māori felt that they'd been consulted, and not engaged; they want to be treated as full partners, both in terms of how they are engaged with, and in terms of any new structures and system put in place.

While views varied, some did not consider that consultation to date had been in partnership, although they generally indicated that they understood the tight timeframes and need for change.

How might different groups of learners be impacted by the proposals? In particular: What unique issues or opportunities arise for Pacific learners in the proposed new system?

- Consultation document: Concluding questions

“Care for the education needs of Māori and Pacifica in the ways they want to be cared for when it comes to their learning and training.”

Works for an ITO

“The fono strongly recommends that there is a level of independence at each learning site that allows for creating meaningful partnerships with local stakeholders to ensure the culture of the learning site best reflects the values and aspirations of the local communities. Additionally, that the national administrative organisation has the capacity to lead the growth of Pacific staff and ensure that all staff have the capability or are provided to grow their capability to support Pacific student success across the board.”

Works for an ITP

What we heard from Pacific peoples, and those interested in Pacific learner success

O fānau a manu e fafaga i fugālā'au, 'ae 'o fānau a tagata e fafaga i 'upu.

The offspring of birds are fed with flower nectar, but the children of people are nurtured with words.

New Zealand's Pacific peoples are a diverse and dynamic group with a young and fast-growing population which will comprise an increasingly significant proportion of the working age population. The Pacific population in New Zealand includes people of Pacific descent born in New Zealand, as well as people born in the Pacific Islands. They include people of Samoan, Cook Islands Māori, Tongan, Niuean, Fijian, Tokelauan, Tuvaluan and Kiribati heritage, as well as some people from smaller island communities.

Vocational education is an important post-compulsory study pathway for many Pacific peoples, with 24,300 Pacific men and women participating (in roughly equal numbers). Around half of these learners are engaged in work-based industry training organised through an ITO, around one-quarter are learning through ITPs and the remainder through PTEs or wānanga. The majority of Pacific learners are based in Auckland.

However, many Pacific peoples currently experience inequitable education and employment outcomes compared to non-Pacific peoples. Although Pacific participation in vocational education is high, these learners tend to participate at lower levels of study and are less likely to be doing apprenticeships (or apprenticeship equivalent qualifications at Level 4 and above) than New Zealand Europeans.

A total of 71 submissions (70 excluding form and campaign submissions) were received that discussed the implications of the proposed reforms for Pacific learners.

Our engagement process involved specific engagement with Pacific stakeholders, through four fono events held throughout New Zealand. Information on the consultation undertaken with these stakeholder groups is included in Appendix B.

Opportunities to better support Pacific learner success

A number of submitters considered there were opportunities to design a new system to better support Pacific learner success, while some submitters highlighted the risks of disrupting parts of the system that they consider are working well for Pacific learners.

Some submitters highlighted that moving to a more centralised system with less flexibility at the regional level could lead to an homogenised 'one size fits all' approach, rather than allowing adaptation to the values and aspirations of regional and local community needs, including Pacific communities. Some submitters also stated that the proposed changes could risk losing important local relationships with Pacific stakeholders that have been developed and maintained over a number of years.

A small number of submitters raised concerns that the proposal for more nationally consistent programme design could have a negative impact on existing programmes tailored specifically for Pacific learners. We heard that many Pacific peoples prefer to work and earn money to support their family,

rather than studying full-time with no income and taking on debt, and that flexible learning options would be crucial to Pacific learners in the new system.

Some submitters and fono participants also highlighted that Pacific learners take a variety of pathways into vocational education, so the new system should recognise this. In particular, some Pacific peoples emphasised that school students note there is a stigma attached to vocational education, particularly in Pacific communities, so many do not consider engaging in vocational education an opportunity for them.

Submitters also noted the importance of the system delivering for older Pacific peoples wanting to re-engage in education.

Seven key themes emerged from our engagement with Pacific peoples. These themes outline that to best support Pacific peoples' success in vocational education, the system should reflect all of the following:

1. *Ensure Pacific representation in key leadership and decision making roles.*
2. *Support and acknowledge Pacific peoples' diversity.*
3. *Be culturally competent to ensure educational providers, staff, and employers are responsive to the needs of Pacific students, their families, and communities.*
4. *Recognise multiple entry points into vocational education and the difference in support that Pacific learners need, and within these different pathways, offer a clear line of sight to outcomes for the learner, including progressing to higher level study and job progression.*
5. *Work with and include Pacific parents, families, and communities in vocational education.*
6. *Ensure there are dedicated Pacific staff positions at all levels of the vocational education system so the workforce reflects the student population it serves.*
7. *Implement a funding system that best supports Pacific success.*

"Māori and Pacific learners need to be represented in the decision making processes from governance all the way through to delivery. There will need to be targeted opportunities for engagement and discussion with learners from different ethnicities."

Employer

“Pacific learners have larger family and outside commitments, and so giving up employment has a bigger negative impact on them. And so, this dual system will be a big positive for Pacific learners – a means to improve and support Pacific success”

Whitireia Fono

Submitters emphasised that designing a culturally competent system requires governance and management structures to reflect the diversity of stakeholders, including Pacific communities, and the maintenance and development of existing relationships with Pacific stakeholders at the regional and local level.

Pacific stakeholders at the fono raised the following points:

- The need for change to the current funding model to ensure there is adequate funding to effectively support Pacific learners.
- The need for a vocational education system that puts the learner at the centre and will achieve better outcomes for Pacific students.
- Ensuring the system does not lose what currently works for Pacific students, for example, pastoral care.
- The need to move towards a ‘whole of system’ response that reflects a coherent approach towards specific learner groups.
- How the new system supports a learner’s socioeconomic realities of working and earning money to support the family over studying or training with no income and accruing debt.
- That Pacific should not be worse off in any new vocational education system.

What we heard about Proposal 1

Redefined roles for industry bodies and education providers

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 their roles and minimise overlapping responsibilities, so they are positioned to act collaboratively.

We sought to hear stakeholders' views on proposals to:

- Extend the leadership role of industry and employers across all vocational education, including provider-based vocational education, through new "Industry Skills Bodies".
- Transfer to vocational education providers the ITOs' current role of supporting workplace learning and assessment for work-based vocational education.
- Provide industry with a purchase role across all vocational education, through advice to the Tertiary Education Commission, which it must give regard to.

Do you agree that the creation of Industry Skills Bodies would be a positive step in ensuring vocational education delivers to the needs of industry? What do you think these bodies should be called – is "Industry Skills Bodies" the right name?

■ Consultation document:
Proposal 1

"I feel the REAL support will be lost! Our ITO helps to raise the profile of our industries and encourages people to become qualified with the support we get from our sales and training advisor as they are from our industry, they are not just course focused."

Trainee

The redefined roles and creation of ISBs had the most polarising views among stakeholders

Industry groups (including ITOs), industry bodies, and employers generally supported the overarching goals of the proposals. However, there was strong opposition from ITOs, ITO students and some employers, to shifting the arranging training function to providers. Conversely, other educational organisations and some industry groups considered the role change to be a key opportunity and employers for them.

Submitters who were in favour of the creation of ISBs agreed that industry needs strong representation in the vocational education system, and believed ISBs will be well-placed to take on this role. In particular, they believe 'skills leadership' and 'providing advice to the Tertiary Education Commission' functions will give ISBs a greater mandate compared to ITOs. Submitters who agreed with the creation of ISBs generally agreed that their establishment is an important step in clarifying roles and responsibilities in the vocational education sector. Several submitters agreed in principle with the creation of ISBs and the roles set out in the proposal, however, considered that the scale of change was only worthwhile if it resulted in sufficient industry coverage.

Submitters who disagreed with the creation of ISBs believed that ITOs in their current state serve the interests of industry and employers well, and that no change is needed. Most of these submitters opposed the idea of transferring ITOs' current role of supporting workplace learning and arranging training to providers, while some wanted to see a 'skills leadership' role taken up by ITOs. Several of these submitters would prefer to see changes to funding mechanisms for ITOs (and the rest of the vocational education sector).

A total of 343 submissions commented on the proposal to create ISBs

69% Agree

32% Disagree

Of people that commented on the overall proposal to create ISBs, 69% agreed with the proposal and 32% disagreed (with forms and campaign submissions removed). The total is more than 100% because some people agreed or disagreed with parts of the proposal, but not the proposal in total.

Including the 37 form and campaign submissions that expressed an opinion on this proposal, 63% of submissions agreed and 38% disagreed. There were four SIT campaign submissions agreeing. There were 33 campaign and form submissions disagreeing, representing ITOs: Skills Active (2) and industries: roofing (24) and hairdressing (7).

More likely to agree:

- Industry
- Education sector
- Unions and student associations
- ITPs
- PTEs
- Learners

More likely to disagree:

- ITOs
- Form and campaign submitters
- Parents

ITOs expressed concern about disruption to the training system. ITOs questioned whether providers would be able to adapt to serve the needs of employers effectively, which could lead to a major reduction in employer participation. ITOs stated that providers would need organisational culture change to be more flexible and responsive to employers' needs.

There was overall support for a stronger industry role, however, some groups strongly opposed elements of the proposal

Most stakeholders were reasonably comfortable with the proposed role of ISBs. However, there was a sharp divide in views about making providers responsible for the arranging training functions. Of those who expressed an opinion about a new role for providers in supporting employers and work-based learners, slightly more were in agreement with the proposal than against, but all ITOs and many employers and industry groups were strongly opposed to this change. Employers and apprentices who were unsatisfied with their current ITO, and industries that currently had no ITO coverage were in favour of the change.

What do you think about the new roles proposed for industry, employers and education providers? How might they benefit employers and learners? What will the risks be? What is needed to help them work well??

■ Consultation document:
Proposal 1

"My view is that the government is on the right track. ITOs need to go back to being standard setters and check those standards are being met. A separation of ITOs and apprentices is needed."

Employer

A total of 775 submissions commented on the proposal to redefine roles for industry bodies and education providers

45% Agree

57% Disagree

Of people who commented on the proposal to redefine roles, 45% agreed with the proposal and 57% disagreed (with forms and campaign submissions removed). The total is more than 100% because some people agreed or disagreed with parts of the proposal, but not the proposal in total.

Including the 389 form and campaign submissions that expressed an opinion on this proposal, 23% of submissions agreed and 78% disagreed. There were 5 campaign and form submissions agreeing, which represented ITPs: SIT (1) and ITOs: Skills Active (3) and Careerforce (1). There were 385 campaign and form submissions disagreeing, representing ITPs: SIT (3); ITOs: Skills Active (324), Competenz (13) and Careerforce (2); and industries: hairdressing (28), electric (11), arborist (2), roofing (1) and printing (1).

“The new bodies need to be much better organised along industry lines than is currently the case (for example the fact that forestry does not sit within the Primary Industries ITO) and retain a broad view of an industry. In addition where there is currently no coverage, measures should be taken to remedy this.”

Union

“The ISBs need to be established based on sensible groupings of industries. Industries know how they align e.g. vertical construction, horizontal construction, health and wellbeing, tourism, travel and hospitality. Getting this right will be critical to the success of the whole reform.”

Works in the education sector

More likely to agree:

- Unions and student associations
- ITPs
- Iwi
- PTEs
- Wānanga

More likely to disagree:

- Learners
- Employers
- ITOs
- Form and campaign submitters
- Secondary schools

Stakeholders were interested to know about how many ISBs there would be

They are concerned that the current proposal will move the balance again toward having more ISBs, with another consolidation exercise in a few years' time (noting the previous consolidation exercises that occurred during over the last ten years, resulting in the current 11 ITOs).

Some felt that many industry-specific ISBs would be preferable, while others feel that having fewer ISBs would achieve greater impact and economies of scale. There was a large amount of discussion within submissions of whether ISBs should be specific to smaller industry groups, or in the case of larger ISBs covering multiple industries, how these could be logically combined. Consideration also needed to be given to those industries not currently covered by ITOs in the existing system.

Some submitters believed that there is potential overlap between Centres of Vocational Excellence and ISBs, and that it is important to clarify and remove potential overlap in scope and responsibilities. Others cited the need for a seamless on-job and off-job transition that is hampered by current settings.

Support for the transfer of the 'arranging training' function

The proposed transfer of supporting workplace learning and arranging training to providers was one of the most controversial and discussed topics across the three proposals.

Providers and other submitters in favour of this proposal suggested that having providers support workplace learning and arrange training is desirable. They further agree that the proposal will help clarify roles and responsibilities in the vocational education sector and remove competition between ITOs and providers.

Culture change would be needed at education providers

Several submitters noted that, if providers take on responsibility for supporting learners in the workplace, significant changes are required to the way these providers are set up and operate. For example, staff would need to deliver education outside of a standard semester based timetable. ITOs were concerned that providers lack capability in arranging workplace-based learning, and would over-rely on provider-based methods such as classroom teaching.

A common suggestion throughout the submissions is that there needs to be a cultural shift within the entire vocational education system.

Submitters suggested there needs to be adequate funding made available, and specific training provided to support the creation of new functions in providers.

Views on delivering and supporting training in the workplace were divided

Responses to making providers responsible for delivering and supporting all vocational education and training were predominantly divided along where submitters were in the education system or past experience. For example, most ITPs supported the proposal for providers to gain an arranging training function. They considered that this would better connect providers to employers, and allow for blended training opportunities that best meet the needs of learners and employers, rather than ITOs or ITPs. PTEs that were opposed to the proposed reforms tended to report having positive and constructive relationships with an industry training organisation. ITOs were universally opposed to the proposal. Employers were divided, based primarily on the positive or negative experience they have had with the current system.

To make the proposals for new roles for industry bodies and providers work well, what changes would be needed at education providers?

What in turn would be needed to ensure those changes happen?

- Consultation document: Proposal 1

Please indicate how much you agree or disagree with the following proposition:

Make vocational education providers responsible for delivering and supporting all vocational education and training at providers and in workplaces.

- Consultation document: Proposal 1

A total of 504 submissions commented on the proposal to make providers responsible for delivering and supporting all vocational education and training, both at providers and in workplaces

65% Agree

41% Disagree

Of people who commented on the proposal to transfer the arranging training function, 65% agreed with the proposal and 41% disagreed (with forms and campaign submissions removed). The total is more than 100% because some people agreed or disagreed with parts of the proposal, but not the proposal in total.

Including the 58 form and campaign submissions that expressed an opinion: 57% of submissions agreed and 48% disagreed. There were no campaign and form submissions agreeing with this proposal. Campaign and form submissions disagreeing represented ITOs: Careerforce (10), Skills Active (8) and industries: roofing (24), electric (11) and hairdressing (5).

More likely to agree:

- Learners
- ITPs
- PTEs
- Unions and student associations
- Parents
- People who care for disabled learners
- General public

More likely to disagree:

- ITOs
- Form and campaign submitters

Learners had mixed views, however the majority favoured the proposal. Employer and industry results were mixed.

Employers had mixed feelings about the proposal on role changes

“We support the concept of further strengthening industry input into the design of qualifications, and we support consistency of delivery to ensure work-ready graduates. However, this does not require the creation of a new ISB organisation. These changes can be achieved by strengthening the mandate of the current ITOs.”

Employer

Employers who supported Proposal 1 stated that their industry is not well-served by their ITO, their industry voice is lost within their ITO, were not represented by an ITO, or they see role changes as key to a system that has clearer roles and responsibilities, leading to improved educational outcomes. Others commented on ITO failures, such as a lack of pastoral care for learner, previous funding scandals, and the failure of ITO services.

Many employers saw the proposed reforms as opportunities to improve the system, including through increasing industry voice, having more industry-oriented standards setting, and through improving the consistency of training provided to learners.

Some employers noted that they were concerned that the proposed role changes would destroy the positive relationships between ITOs and employers, and could result in employers disengaging from the training system. Employers from niche industries were also concerned that their voice could be lost if there were fewer ISBs than ITOs currently.

Employers from certain industries were worried about ITPs supporting work-based training, as in their experience, ITPs had tended to provide them with graduates who were less skilled than school leavers who went directly into work-based apprenticeships and traineeships.

“While the industry welcomes these changes, and considers they would bring significant improvements to the VET system, it does not believe that these are sufficient to balance the value of what they are being asked to give up. Specifically, the loss of the arranging training role of ITOs is a deal-breaker regardless of potential gains.”

BCITO

Many industry organisations, including ITOs, felt that the roles of assessing employers’ training needs and brokering training arrangements could not be readily separated from the role of supporting work-based learners and learning. These stakeholders considered that support for employers could only be achieved if it was joined with the role of supporting work-based learners.

Those employers who opposed Proposal 1 tended to feel that role change was unnecessary, as their ITO met their needs, or that they are not confident that a provider (or providers) would be as effective as an ITO. They were also concerned that there would be institutional knowledge and relationships lost as a result of any transition from ITOs to ISBs or providers.

Most industry organisations, including ITOs, felt that support for employers could not be readily separated from support for employee trainees and apprentices.

Apprentices and trainees want assurance that they can still earn while they learn, while students wanted enhanced transitions to employment

Apprentices and trainees were concerned that their cost of training would increase, or that their ability to earn while they learn would be disrupted. The transition from education to work was important to many submitters, as was the ability to access face-to-face delivery and support, particularly from someone who understood their industry. Some learners advised that if their course was not offered on-the-job, they would not have chosen it. Trainees tended to support the current system.

ITP students wanted to enhance transitions from education to employment. Students wanted more industry voice within campus delivery, but also cautioned against too much industry-influence as the students appreciated the student ‘campus experience’.

ITO feedback on role changes favoured improvements to their role, and disagreement with the transfer of the arranging training function

ITOs expressed:

- Strong support for a skills leadership role
- Strong support for having a greater standard setting role
- Strong opposition to having their ‘arranging training’ function shifted to providers

All ITOs raised concerns that shifting the ‘arranging training’ function from ITOs to providers could reduce the quality of work-based training and employers’ willingness to train, leading to a reduction in training volumes. They were concerned that providers do not have, and are unlikely to acquire, work-place based capability and that public sector providers would not have the flexible and responsive culture necessary to meet the needs of employers.

ITOs tended to support the need for clearer roles in the system. However, some ITOs argued that the proposed reforms, in their current state, do not achieve this. For example, they noted the potential for conflicting roles between ISBs, Regional Leadership Groups and the Institute. They also noted the potential this had for creating tension between national and

“Currently none of the polytechnics are used to looking after on-job learners. I am concerned if you lump me in with all their classroom based learners, I will lose the support and opportunities I currently have with the present system.”

ITO apprentice

“In the past the [ITO] has demonstrated patch protection in wanting to keep training for itself, using its position to prevent other trainers from being involved in a particular subject area, NZQF level or location which had nothing to do with their brief. With training delivery not being a responsibility of Industry Skills Bodies this conflict of interest will disappear, allowing them to focus solely on quality and meeting qualification/industry needs.”

Works for a PTE

“Members are very supportive of the workplace training currently delivered by ITOs being brought into the ITP sector in the region.”

Union

regional industry stakeholders – and that this would need to be carefully managed.

Most ITPs appear to strongly support the proposal for providers to gain an arranging training function

They feel that this will better connect providers to employers, and allow for blended training opportunities that best meet the needs of learners and employers, rather than ITOs or ITPs.

Some ITPs are concerned that the proposed changes will have a negative impact on their existing partnerships with industry bodies, employers, Iwi, and community groups. They note that any transition period would need to be open and transparent to ensure that everyone is on the same page going forward.

Standard setting bodies were generally opposed to role changes for industry bodies and providers

Occupational Regulators and statutory bodies with responsibility for regulation of professions were not convinced that the case for change in the ITO space had been adequately made.

They questioned their role in the context of ISBs. They expressed concern that changes may result in more complexity within the system, and higher costs to employers (training, transactional, and compliance).

They were also concerned that niche industries might end up with less control over training for their industries and will lose their voice.

Standard setting bodies indicated that they are similar to ISBs, and therefore could more easily transition to the proposed ISB function.

Wānanga acknowledged opportunities presented in the change proposals

While there was recognition for the opportunities presented by the possibility to offer in-work training, wānanga generally reserved their judgement on the implications and relevance to them of much of the Reform proposals, particularly where the detail is yet to be finalised.

Wānanga (and some PTEs) are concerned about the possibility for the Institute to gain a monopoly through the acquisition of the ‘arranging training’ function

PTEs are worried about what this means for their sector

Some submitters raised concerns that a potential transfer of arranging training to the Institute could undermine PTEs’ role in the vocational education system.

However, some PTEs considered that with strong existing connections to industry, they would be well-placed to deliver industry training.

Some submitters saw an important role for PTEs in supporting the transition to the proposed new vocational education system, by ensuring work-based training continues while the Institute is established.

Submitters highlighted the strong industry connections that some PTEs have developed, the ability of PTEs to be responsive to industry and learner needs, and their capacity to support niche industries.

Employers will need incentives and encouragement to engage

Submitters considered that if the costs to employers are kept low, the system is flexible in meeting their needs, and there is a direct and clear relationship available, it is likely employer engagement would increase. Some submitters suggest the transitional arrangements would determine how employers engage with system.

ITOs tended to propose that greater employer engagement be driven by improved incentives for employers to take on apprentices and trainees. Submissions representing several different stakeholder groups – including ITOs, employers and industry – also recognised the potential use of levies in supporting the uptake of industry training.

Some submitters suggested that where urgent skills gaps are identified, public funding could be warranted and that funding could be sourced through an industry levy or should come from a variety of sources to avoid industry capture of ISBs. Other submitters suggested they should not be funded at all as this would be poor use of taxpayer funds. Some also believe that employers (especially small employers) wouldn't be able to afford additional contributions to the vocational education system, and fear they will stop taking on trainees and apprentices. Some industry bodies, ITOs and employers suggested that levies could address the problem of firms poaching staff from other firms that train.

ITOs felt employer engagement would be hard to increase

Many ITOs recognised a need to improve employer engagement in the industry training system. However, they expressed concern that the proposed reforms are a step too far, suggesting that they would lead to significantly decreased employer engagement.

Submitters agreed that training advice must be impartial, clear, trusted, accurate and relevant

There was a general agreement among submitters that employers need advice and support on the types of education provision that could benefit their business. This role, if removed, would be greatly missed. Some respondents looked forward to non-partisan, and clear, objective and consistent advice from a unified tertiary sector.

The Government wants to help more employers get involved in the vocational education system. Do you think the proposed changes would achieve that? Why or why not?

- Consultation document: Proposal 1

“Investment in encouraging increased employer engagement in training is vital. We need more industry liaison between education and employers (currently provided by ITOs but too thin on the ground) and ideally more financial incentives for employers to train more staff.”

Economic development agency

Do employers need access to impartial advice on their training options, and help making the right connections with education providers?

If so, how should this service be provided?

- Consultation document: the current system

A total of 197 submissions commented on whether employers need access to impartial advice

80% Agree

20%

Of people who commented on the proposal regarding the provision of advice to employers, 80% agreed with the proposal and 20% disagreed.

No form or campaign submissions commented on this proposal.

More likely to agree:

- ITOs
- Employers and industry professionals
- Students, apprentices and trainees
- Industry bodies
- Parents
- Occupational licensing bodies
- Chambers of Commerce
- Those working in the education sector or a sector body

The majority of submitters said that an impartial advice and brokerage service is needed in the proposed system. This was because many employers do not have the time or resources to do research into the various training options that may be available to them. Some submitters also mentioned that impartial advice is not only required for employers and industry, but the system also needs to provide advice on training options to learners and secondary schools.

“The current RoVE proposal does not propose a linkage between ISBs and Regional Leadership Groups. ISBs are to perform nationally-focused, industry skills planning functions while regional leadership groups are to carry out regional labour market planning functions. Each of those functions should inform the other.”

Primary ITO

Many industry organisations, including ITOs, felt that the roles of assessing employers’ training needs and brokering training arrangements should not be separated from the role of supporting work-based learners and learning. They considered these two roles to be fundamentally interdependent. There was also a strong opposite argument that the support for employers function should lie with ISBs, even if the role of supporting work-based learners and learning shifts to providers.

The relationship between ISBs and Regional Leadership Groups was explored

Some submitters noted the need to ‘mesh’ ISB and Regional Leadership Group advice, and that ISBs should develop an industry sector view of required provision nationally and regionally. Larger ITOs, and standard setting bodies, saw advantages in aligning Regional Leadership Groups with the proposal from the Ministry of Business, Innovation and Employment to establish regional skills bodies.

What do you think about the new roles proposed for industry, employers and education providers? How might they benefit employers and learners? What will the risks be? What is needed to help them work well?

■ Consultation document: Proposal 1

“Industry Skills Bodies must have genuine power within the TEC’s investment structures and over programme development ... the level of influence gained by industry must approximate or exceed the control it is losing. To reflect this strong model, we propose renaming ISBs ‘Industry Skills Authorities’ (ISAs)”

BCITO

Submitters have mixed opinions about the proposed name (Industry Skills Bodies)

Those who opposed the proposed name argue that the word 'Skills' should be avoided, as vocational education is about more than skills. Others perceive the word 'bodies' as old-fashioned and non-descriptive. Several submissions pointed out that a te reo Māori name is needed and that the name and structure of the entities should be co-developed with Māori. A number of alternative names were suggested.

Some alternative names for industry skills bodies

- Industry Skills Board
- Industry Skills Agencies
- Industry Skills Depots
- Industry Skills Connectors
- Industry Skills Organisation
- NZ Industries Skills
- Industry and Employability Committee
- Skills for Industry
- Industry Representative Bodies
- Industry Skills New Zealand
- Industry and Standard Setting Body
- Industry Skills Development Group
- Industry Advisory Body
- Skills for the Future
- Industry Placement Providers
- Skills for Business Network
- Technical Institute
- Skills for Business Network
- Industry Skills Foundations
- Industry Training Foundations
- Workforce Development Authorities
- Industry Skills Centre of Excellence
- Trade - Industry Skills Board
- Industry Skillset Cooperatives
- Industry Educational Collaborative
- Industry Connectors
- Industry Connection Organisations
- Industry Bodies
- Vocational Skills Bodies
- Community/Regional/National Industry Education Advisory Teams
- Career Skills Councils
- Industry Skills Centres
- Industry Knowledge Hubs
- Industry Skills Authorities
- Industry Skills and Professional Bodies
- Industry Advisory Groups
- Sector Advisory Groups
- Training Advisories
- Training and Skills Councils
- Sector Skills Council(s)
- Industry Skills Authorities

Please indicate how much you agree or disagree with the following propositions:

Recognise and fund “Industry Skills Bodies” to set skill standards in vocational education?

■ Consultation document: Proposal 1

Most submitters were supportive of the role for ISBs in identifying and advocating for industry skills needs

The majority of submitters saw benefit from industry and employers having a skills leadership role. A number of potential benefits were highlighted, including more industry input and influence over the skills development system, greater consistency across programmes, preserving

“If the role of the ISB’s is to be effective in providing leadership to the proposed system, it will be critical that the establishment of ISBs is not left to chance.

... proactive steps should be taken by the Government to encourage the establishment and proper resourcing of an ISB for all industries or sectors for which effective vocational education will be critical.”

Employer

and consolidating industry voice, and enabling a more strategic approach to Government investment.

While most submitters agree that 'extending the leadership role of industry and employers across all vocational education' is desirable, opinions on whether ISBs are the way to do this are divided.

Submitters suggested a number of responsibilities that should be considered as part of the ISBs’ skills leadership role, including gathering and analysing intelligence on the state of the industry and its skills, coordinating industry efforts to identify and plan to address future skills need, and developing industry skills plans at regular intervals. They also thought industry should lead the development, coordination and implementation of campaigns to attract more people to work into specific industries.

A small number of submitters raised concern about giving employers and industry too much say in vocational education, leading to the needs of business and industry determining the entire nature of vocational education. An example of a potentially detrimental side-effect for learners of this - mainly expressed by unions - could be a focus on micro-credentials as a way for employers to obtain 'just-in-time' skills, instead of providing learners with a coherent education.

A total of 339 submissions commented on whether ISBs should be recognised and funded to set skill standards

80% Agree

25%

Of people who commented on the proposal regarding the provision of advice to employers, 80% agreed with the proposal and 25% disagreed. The total is more than 100% because some people agreed or disagreed with parts of the proposal, but not the proposal in total.

Results were the same when form and campaign submissions were included.

More likely to agree:

- Learners
- Employers
- Industry
- ITPs
- PTEs
- Parents
- General public

There was general agreement among submitters that employers need advice and support on the types of education provision that could benefit their business. This role, if removed, would be greatly missed. Some respondents looked forward to non-partisan, and clear, objective and consistent advice from a unified tertiary sector.

Alternative models and change paths presented

ITOs and stakeholders presented a number of different options and change paths for how the outcomes of the proposals could be achieved. All ITOs and some employers and industry bodies oppose transferring the ‘arranging training’ function from ITOs to providers. However, some ITOs provided suggestions should the Government decide to adopt the proposal to move the arranging training function, including suggestions that the Institute could broker ITO services to arrange and support work placements and ITOs could broker programmes from the Institute.

Transitioning in stages

There were suggestions for phasing changes by prioritising the challenges in the ITP sector and then progressively addressing other issues within the whole sector.

One of the proposed alternative models was to use a two stage process that would transition trainees from current ITO delivery to provider-led industry training delivery. All existing ITO staff and management involved in the arranging training function would be supported through a holding company as an interim step. The holding company would be a separate entity to the Institute, wānanga, PTEs, ITOs and Government. This holding company would obtain the prior approvals held by an ITO, and be authorised to continue to arrange training in workplaces for a set period of time. Another suggestion was for both ITOs and ISBs to operate in parallel for a period, with ITOs limited to, arranging training on behalf of employers.

Transitioning by industry, based on current delivery models

Some submitters noted that some current industry training would be easier to transition quickly to providers, particularly where providers had been contracted to deliver off-job training on behalf of the ITO. An industry by industry approach was suggested, where industry training mainly or fully supported on-job would be transitioned last.

Consolidation of ITOs

Another proposal involved retaining the arranging training function within the current ITO sector, but consolidating current ITOs into a smaller number of organisations, helping to achieve scale and to diversify operations of the current ITOs. A number of submitters noted that the existing groupings of industries within the ITO sector were, in some instances, illogical, and consolidation could lead to greater sector capability. This would also allow a smaller number of industry bodies to leverage experience from different (but more logically clustered) industry areas, and to gain greater industry buy in and confidence. There were suggestions that ITOs could be consolidated more strategically to align with the six vocational pathways currently used in secondary schools. As part of the consolidation, it was suggested that industry boards could be established to provide strategic input. Some ITOs were interested in understanding more about how Centres of Vocational Excellence would fit in with proposed ISB delivery, given there appeared to be some overlap of functions. Other submissions discussed whether ISBs would be best placed to provide an agnostic brokerage function to employers.

A few submitters questioned whether the proposal to create ISBs should have focused on the creation of a single ISB, which again, would offer the scale and scope, and a single point of interaction for employers, but without necessarily offering the ‘arranging training’ function.

The importance of phasing

“...this will result in a great deal of uncertainty about what these impacts will be – and in times of uncertainty, decision making (by employers, potential trainees and the ITOs) is invariably delayed, which is likely to result in a hiatus of industry training – which is counter-intuitive to what the reforms are seeking. We simply cannot afford a delay in training decisions for 6-12 months!”

Employer

Lastly, ITOs and a variety of stakeholders noted that the phasing of the introduction of ISBs would be very important, should the proposals proceed. Most submissions were broadly in support of a phased transition, with several submitters suggesting this should follow the establishment of the Institute. This was proposed to help ensure that the Institute – and other providers – would be able to dedicate time to creating organisations with the capability and capacity to learner to work-based learners and trainees. In some cases, ITOs suggested that a phased approach that didn’t include structural changes for ITOs may be sufficient to deliver on the outcomes of the proposals, and that the funding system would be the key process to enable change.

To improve industry collaboration and between ITOs and ITPs, there was a suggestion to establish a Vocational Education Council to act as the Government’s advisor and have oversight for the direction and performance of the sector. The Council would include all ITO chairs, be guided by a charter, and would meet with the Institute regularly.

There was a general expectation that ITOs would be integral in the co-design and co-creation of any transition/transformational plans. Others suggested that the transition should include appointing working parties that include industry and officials to manage the changes.

Proposal 1 generated several template submissions and possibly a campaign

Skills Active Aotearoa template submissions

The provision of form templates to support Skills Active Aotearoa was run by that ITO. Those submitters who utilised Skills Active Aotearoa's template submissions submitted these via an online portal run by Skills Active Aotearoa, which then forwarded these to the Reform of Vocational Education team.

Support for Skills Active Aotearoa was demonstrated through a total of a number of 345 form submissions that were sent in response to the proposals.

The form template submissions from supporters of Skills Active Aotearoa were from a wide variety of stakeholders, including current and former trainees and apprentices, small business owners and employers, industry organisations, and community members.

All Skills Active Aotearoa form template submitters were opposed to the proposed transfer of the arranging training function to providers. The key concerns of these submitters were:

- The lack of evidence demonstrating the need for significant change to the (current) ITO sector.
- The loss of connections between ITOs (and proposed ISBs) and industry should the proposals proceed.
- The lack of responsiveness likely to be demonstrated by providers should the arranging training function transfer.
- Difficulties employers may face in having to deal with different, or multiple, organisations for industry training.
- The potential decline in training quality as a result of the proposed transfer of the arranging training function.

A number of submitters also appeared to believe that the Government was proposing that only the new Institute would deliver industry training in future.

Several other industry bodies organised templated submissions

A list of industry and ITO templated submissions is on page 61.

Possible campaign by an ITO

We received comment from a submitter that one ITO was offering a prize draw for submissions to the Reform of Vocational Education on their behalf. While we have no verification that a prize draw took place, we noted at least 24 submissions from private individuals that mentioned this ITO in their comments.

"The training that happens through Skills Active works really well. I oppose the arranging of industry training being handed over to a national polytech."

Skills Active campaign submission

What we heard about Proposal 2

Do you agree with the Government's proposal to introduce a single New Zealand Institute of Skills & Technology? What do you think the institution should be called – is the New Zealand Institute of Skills & Technology the right name?

■ Consultation document: Proposal 2

"We agree there needs to be significant reform of the system. Presently it is complex, and does not serve smaller regional and remote communities well."

Economic development agency

Creating a New Zealand Institute of Skills & Technology

We asked about the Government's proposal to create a single New Zealand Institute of Skills and Technology, consolidating the 16 current ITPs.

Most support for consolidation came from within the education sector itself

This proposal generated the most feedback from submissions. Most ITPs were generally positive about the proposal and saw significant opportunities, particularly in reducing competition, and in the integration of some back office services.

Some regions launched campaigns to oppose the proposal, saying that their existing ITP was high-performing and therefore should not be subject to the proposal. However, there was also significant support for the proposal.

A total of 1609 submissions commented on whether Government should create a single Institute

48% Agree

53% Disagree

Of people who commented on the proposal to create a single Institute, 48% agreed with the proposal and 53% disagreed (with forms and campaign submissions removed). The total is more than 100% because some people agreed or disagreed with parts of the proposal, but not the proposal in total.

Including the 986 form and campaign submissions that expressed an opinion, 20% of submissions agreed and 81% disagreed. There were 21 campaign and form submissions agreeing, which represented communities: Stand Up for SIT (11); ITPs: SIT (1); ITOs: Skills Active (7) and industries: Hairdressing (2). There were 966 campaign and form submissions disagreeing, representing communities: Stand Up for SIT (841); ITPs: SIT (64); students: Otago - UROP (9); ITOs: Skills Active (24), Careerforce (1); and industries: roofing (24) and hairdressing (3).

There were mixed views across most perspectives, including those listed below.

More likely to agree:

- ITP staff
- ITOs
- Unions and Associations
- People working in the education sector
- Industry bodies
- Chambers of Commerce

More likely to disagree:

- Employers
- Form and campaign submitters
- People working in industry
- Members of the public

ITP views were mixed

Nearly all ITPs reiterated that they viewed the reforms as an integrated package

Where ITPs supported Proposal 2, they did so on the basis that the other two proposals proceeded. Those that accepted Proposal 2 accept it as part of a package of reforms that includes shifting responsibility for work-based learning and learners to providers.

Submitters, for the most part, disliked the proposed name of the New Zealand Institute of Skills & Technology

“Students expressed concern around branding change affecting their future and affecting international student numbers for the next few years.”

Ara student drop-in event

Many of those who oppose the name argue that the word 'skills' should be avoided. Several stakeholders noted that they would have liked a Māori name, that the name was too long, and that there was already an NZIST in New Zealand, the New Zealand Institute of Science and Technology.

Responses from ITPs mostly did not favour the use of the word 'skills' in the title, particularly given levels of higher education across the current ITP sector, and international recruitment visibility.

Some submitters argued that, at least for the first few years, regional operations should be able to retain their current name, or be allowed to combine it with the new name (e.g. "NZIST - NMIT campus"). In engagement events at ITPs and through their own submissions, a number of ITPs discussed the option to retain their own branding within the national system, and be led by a regional management team responsible for regional academic and financial management.

International students were concerned about branding changes

Some international students were concerned that name changes to their ITP may mean that their qualification would no longer be recognised in their home country. Several international students questioned how international recruitment agents would work in the new system, or how partnership agreements with other international institutions would work.

Some alternative names for the Institute

- NZ Institute of Technology (NZIT)
- Aotearoa New Zealand Institute of Technology (ANZIT)
- Aotearoa Institute of Technology (AIT)
- New Zealand Institute of Training and Technology (NZITT)
- Polytechnic of New Zealand (PNZ)
- Polytechnics Aotearoa New Zealand (PANZ)
- New Zealand University of Technology
- Polytechnic Aotearoa
- New Zealand Institute of Technology
- New Zealand Institute for Vocational and Higher Education - Nga Pukenga me nga Matauranga Aotearoa
- Institute of Technology and Skills New Zealand
- Te Whare Takiura o Nga Kete
- Polytechnics NZ
- NZ Polytechnic Institute
- NZ Institute of Applied Technology
- Institute of Technology Aotearoa
- NZ Institute of Applied Learning
- NZ Institute of Higher Education
- Aotearoa Polytechnic
- New Zealand Institute of Skills, Technology and Learning
- Vocational Education New Zealand
- New Zealand Technical Institute
- New Zealand Institute of Innovation and Technology
- Matauranga Mahi
- Central Institute of Skills and Technology
- Aotearoa Institute of Skills and Technology
- NZ Vocational Education Institute
- Aotearoa Vocational Education and Training Institute (AVETI)
- Vocational Education and Training Aotearoa New Zealand (VETANZ)
- New Zealand Industry Skills Training Institute
- NZ University of Skills and Technology
- NZ Institute of Advanced Skills and Technology
- New Zealand Polytechnic
- New Zealand Vocational College (NZVC)
- New Zealand Institute of Vocational and Technological Education
- NZ Institute of Skills and Training
- Vocational Education Aotearoa New Zealand (VEANZ)
- Vocational Education Aotearoa (VEA)
- NZ Applied University of Technology
- NZ University of Applied Learning and Technology
- National Institute of Applied Learning and Technology in Aotearoa/New Zealand
- NZ Institute of Vocational Studies
- NZ Skills and Technology Organisation
- NZ Vocational Studies Institute
- NZ Institute of Further Education
- Aotearoa Training & Skills

How strongly do you agree or disagree with the following statement:

Creating a New Zealand Institute of Skills & Technology would make provision more consistent and easier to access across the country.

- Consultation document: Proposal 2

Submitters in favour said a single Institute would provide equality, standardisation, and consistency

Some submitters identified the removal of duplication and competition between current providers as a positive rationale for change.

Standard setting bodies thought the proposal was an opportunity to build coherence across the system with regards to standards and programme development, and to build flexibility in the system for learners including the ability to move between providers.

A total of 376 submissions commented on whether creating an the Institute would make provision more consistent and easier to access

63% Agree

37% Disagree

Of people who commented on whether the creation of the Institute would make provision more consistent/easier to access, 63% agreed with the proposal and 37% disagreed (with forms and campaign submissions removed).

Results were similar when form and campaign submissions were included.

More likely to agree:

- ITOs
- ITPs
- Unions and student associations
- Industry
- People who support disabled learners

More likely to disagree:

- Parents

“Ideally with the removal of competition the new institution should be able to clearly articulate what the various training options are and be flexible enough to respond to needs.”

ITP

Overall, the ITP sector supported some level of change

A number of ITPs also identified opportunities from the proposals, particularly in reducing competition, and in the integration of some service functions.

ITPs’ concerns about the proposal have focused on a number of things, including the mix of authority and decision-making between the consolidated Institute head office and the regions, and proposals to monitor and manage the performance of the Institute. There have also been considerable concerns raised from those ITPs that currently hold cash reserves, and wish for these to be retained within the region if they become part of a new entity.

ITPs also commented on:

- The mix of authority and decision making between the Institute Council and the regions.
- How the Council would be formed, how regions would have a say in its formation, and how regions would be represented on that Council.
- How Regional Leadership Groups would be formed, and what authority and influence they would have.

“The Southland community would strongly prefer SIT to be able to continue to operate as an independent legal entity under The Education Act 1989.”

SIT

“Our sons are in the trades and there is no clear pipeline from secondary to tertiary to industry.”

Rotorua hui

How strongly do you agree or disagree with the following statement:

A New Zealand Institute of Skills & Technology would be financially stronger and more resilient than the current network.

■ Consultation document: Proposal 2

- What controls would exist to monitor and manage the performance of the new entity.
- Whether cash reserves can be retained at regional operations.

Some ITPs felt they should retain more independence

Several ITPs argued that they are more successful than others, and noted that their past performance (financial and educational) should be taken into account.

These ITPs were very interested in the ability to retain some regionally autonomy. Some ITPs proposed that there be a parent-subsidiary model, with regional arms being Crown entities in their own right. Other proposals did not go into this detail, and thought that the regional arms could have Institute branding. Further information on alternative models presented by the ITP sector is included on page 50.

Some ITPs noted that a centralised model could create a slow moving, innovation stifling organisation that isn't responsive to local needs. Others identified additional capabilities that could be delivered via a head office – such as professional development plans for all ITP personnel – to guide investment in retraining in preparation for transition.

The majority of feedback from Māori addressed the Institute proposal

In general, Māori were strongly supportive of the need for change and acknowledged that the system needs to do better. There was agreement that competition was not serving learners well and that more collaboration was needed.

Māori stakeholders also noted the complexities of determining how to engage with Māori at both a national and regional level. There was interest in both the national and regional structure of the Institute, how this would engage with Māori and how Māori should be involved in the decision making process.

Most ITPs recognised intervention is required

Most ITPs recognised that the current sustainability issues in the ITP system means intervention or restructuring is required. However, a few ITPs strongly reiterated that they themselves are not failing institutions. Most ITPs are cautiously accepting of Proposal 2, provided that it is delivered in a manner that preserves substantive regional operations and decision rights.

Over 800 submissions were provided in support of Southern Institute of Technology, and opposed to this proposal. A summary of these submissions is included on page 52. With form template and campaign submissions removed from our analysis, those who opposed were largely from outside the education sector. Some opposition also came from within the education system, including a minority of ITPs. The main reasons that submitters opposed this proposal was that they believed there was insufficient rationale for the proposed reforms, that the system isn't broken, and that not all ITPs are struggling financially.

A total of 303 submissions commented on whether creating a single Institute would be financially stronger and more resilient

60% Agree

40% Disagree

“The development of the knowledge, confidence and culture necessary to sustain any business model on this scale can only be built over time. Given the pace of change in the work place, and retiring skilled baby boomers, New Zealand cannot wait 3-4 years for the transition to the “new system.”

ITO

Of people who commented on whether a single Institute would be financially stronger and more resilient than current ITPs, 60% agreed with the proposal and 40% disagreed (with forms and campaign submissions removed).

Results were the same with form templates and campaign submissions removed.

More likely to agree:

- ITPs
- People working in the education sector
- Industry

More likely to disagree:

- Parents
- Universities

Most ITOs tended to support Proposal 2, though not all think the scale of change proposed is necessary

Some ITOs noted that while efficiency gains would occur, culture change would not necessarily follow. Other ITOs indicated that a single Institute could, in the long run, create a more bureaucratic and inefficient system.

How strongly do you agree or disagree with the following statement: Creating a New Zealand Institute of Skills & Technology to serve all of New Zealand would help employers and learners.

■ Consultation document: Proposal 2

Employers and learners had mixed opinions about Proposal 2

A total of 385 submissions commented on whether the creation of a single Institute would help employers and learners involved in vocational education

55% Agree

46% Disagree

Of people who commented on whether the creation of a single Institute would help learners and employers, 48% agreed with the proposal and 53% disagreed (with forms and campaign submissions removed). The total is more than 100% because some people agreed or disagreed with parts, but not the proposal in total.

Including the 18 form and campaign submissions that expressed an opinion, 53% of submissions agreed and 48% disagreed. There were 3 campaign and form submissions agreeing, which represented Skills Active (1) and hairdressing (2). There were 15 campaign and form submissions disagreeing, representing ITPs: SIT (5); ITOs: Skills Active (6), Careerforce (1); and the hairdressing industry (3).

More likely to agree:

- ITP staff
- ITOs
- Student unions
- People working in the education sector
- Education bodies
- Industry bodies
- Chambers of Commerce
- People that support a disabled learner

More likely to disagree:

- Employers
- Form and campaign submitters
- Industry professionals
- Members of the public
- NGOs and community associations
- Universities

Both employers and learners expressed pros and cons mixed views about a consolidated model.

“While we recognise there is a benefit for regional training centres to meet local requirements it is important that courses delivered across multiple regions are delivered consistently.”

Nationally distributed employer

“it’d be great to have standardisation and support across NZ and the ability to move across the country if needed (cos I know many who have moved from one polytech to another and had to repeat papers).”

Student at a polytech, and distance learner at a wānanga

“Changing the shape of the VET sector is a waste of time unless government agencies have rigour and a real ability to monitor and make hard funding decisions.”

Works in the education sector

What should Government, the ITP sector and its stakeholders keep in mind if we were to design and implement a New Zealand Institute of Skills

& Technology for all New Zealand?
■ Consultation document: Proposal 2

“ITPs service learners, whereas ITOs service employers/industry. ... the NZIST must cater for both levels of customer and the business must therefore be structured with those two very different, often conflicting, service requirements and expectations in mind.”

ITP

Some employers noted that consolidation would provide efficiency and effectiveness

Large national employers reasoned that the consistency of courses delivered across multiple regions would improve the ability to have consistently trained staff in regionally located business units that work to common system, standards and processes.

Other employers expressed concern

Many employers were concerned that the proposed changes would lead to decreased access to the training they need, as well as drive students away from regions. Several employers also mentioned that the merger would exacerbate existing skills shortages. Employers from niche industries tended to be most worried about these issues.

Some students identified improvements to the ability to move around the system

Student leadership noted that the competition between individual ITPs in the current system has taken their focus off student outcomes and onto financial survival. They consider that in a consolidated model students would experience fewer instances of courses dropping due to ITP failure.

Students at some ITPs campaigned against change

Students at Otago in Invercargill campaigned for the retention of their ITP, demonstrating strong opposition to a centralised model. At SIT, students were joined by former students, parents, employers, staff, disability support people, and members of the general public in campaigning for their ITPs. They noted the success of their ITP and their own satisfaction with their current learning experience as reasons not to change. More detail on campaigns related to Proposal 2 is on pages 52 and 53.

A number of submitters provided feedback on the role of central Government in the new system

Feedback generally agreed that the Institute should be allowed to manage its own operations, and set its own strategic direction, in correspondence with a Charter created by Government. Submitters also indicated that the Government should have responsibility for the Institute, and exercise an oversight role to ensure the Institute achieves its objectives and remains financially sound.

Several submitters suggested the Government could be more closely involved with the Institute at the outset, with a gradual handover. A small number of submitters mentioned the value of directive tools, such as statements of intent and performance expectations.

Submitters recognised that the Ministry of Education and the Tertiary Education Commission should engage closely with other Government agencies to ensure this reform lines up with other initiatives across Government. Some were concerned that implementation timelines needed to be realistic, that the human impact of any restructures should not be

underestimated, and that appropriate support mechanisms need to be put in place to support change.

Designing an Institute for employers and learners

There were several tensions noted by ITPs, and other stakeholders, in regards to the design of a model for the Institute. One was the tension between the Institute's two different customers – learners/trainees and employers – and how these would need to be given greater weight and consideration in a new business model. In addition, the exclusion of higher level degrees and foundation education from the proposed reforms – both core delivery aspects within the current ITPs, and to be included in the Institute – was raised by a number of submitters. These submitters noting the difficulty of delivering a holistic system of delivery around vocational education, specifically (and particularly, not including vocational education at higher levels).

Transition risks were strongly highlighted

There were also concerns about implementing the proposal and suggested alternatives. The main concerns focussed on the flexibility, transition risks and single point of failure created by one Institute.

Stakeholders noted that a well-managed transition period and process is critical to ensure that roles are handed over smoothly. They noted that it is important that the appropriate support mechanisms are in place from day one of the Institute, and during the transition period, as there should not be a transition gap in providing essential services such as pastoral care.

Submitters indicated that consideration and clarification are needed regarding what happens for learners and employers who will be completing courses during the transition period. The transition should be managed to minimise impacts on learners and employers.

Some submitters emphasised the importance of designing a culturally competent system

Some submitters stated that the governance and management structures and as well as key strategic documents of new organisations (including of the new Institute) should reflect the diversity of population, including Pacific communities.

Some fono participants noted that they didn't want to be worse off than they currently are, in terms of the number of Pacific staff at different levels of their ITP.

Some submitters also emphasised the importance of active inclusion of Pacific and Māori as part of ongoing work on the design and development of the new system.

ITP staff were concerned about implications for non-teaching peers

While staff at ITPs agreed there was a need for change, they were concerned that this proposal would be detrimental to staff, in particular non-teaching staff. ITP staff were also concerned about the role and visibility of staff voice in the new institution.

Current and ex-staff were concerned that Proposal 2 would lead to decreased academic freedom and autonomy of educators. Their proposed

“the transition must be managed intelligently, efficiently, and sensitively to maintain stakeholder engagement, skills and morale.”

ITP

“For Māori students – these must be culturally competent Māori staff to enable students to feel well supported in their education, training and employment journey and be linked within their communities.”

Iwi

“Without committed, competent allied staff these proposals cannot succeed. It is allied staff who will feel the impacts of the changes more immediately than any other group.”

Association

mitigation for this was by including staff and student voices on the Institute Council.

Some submitters were concerned that a centralised entity would result in job losses in non-teaching areas and this may lead to loss of capability in the regions.

Concerns about retaining staff during a transition period

Submitters were concerned that any transition period would result in higher workload for staff as they try to maintain the level of service expected.

A level of uncertainty, and lack of clarity about the future, were recurrent themes throughout submissions, and many staff spoke of the challenge of retaining and recruiting staff during this period.

ITP staff offered several suggestions to address these concerns:

- Establishing a national communications channel to keep everyone informed about the change process, including implications and timing of change.
- Planning for capability development to be part and parcel of the transition stage, rather than post-transition.
- ITPs and the Tertiary Education Union suggested that funding be provided to institutions for transition particularly for capability development.
- There were suggestions for staff having access to retraining, professional development, and redeployment into meaningful employment in the regions.
- That contractual provisions for existing staff be grand-parented.

There was strong support for incorporating principles of the Treaty of Waitangi into both the structure and framework for the Institute as the basis of partnership between Māori and the Crown.

There was also concern about how the new entity would promote and protect te reo and mātauranga Māori. There was support for integrating a Māori approach up front into the governance and framework of the new Institute, noting that when this doesn't happen there is a tendency to try and incorporate a Māori approach or perspective subsequently as an add-on.

"We strongly advocate that the Crown act boldly to ensure that Te Tiriti is adhered to at the design of every level of the new vocational system so that Maori/iwi rights and influence as set out in the Te Tiriti partnership are deliberately and emphatically recognised, including through legislation changes to the Education Act 1989."

Iwi collective

What purposes and functions could be included in the charter of a New Zealand Institute of Skills & Technology?

■ Consultation document: Proposal 2

Purposes and functions

There was general support for a Charter as a guiding document and support for stakeholder influence to its content, in particular to ensure the inclusion of staff and student unions and associations on the Council.

Submitters also suggested that the roles and functions of both the New Zealand Qualifications Authority and the Tertiary Education Commission be reviewed, with some ITPs recommending a new regulatory regime to replace both agencies. It was suggested that Education New Zealand should become part of the new organisation to centrally coordinate international partnerships.

Suggestions for inclusion in the Institute Charter

- An agreed definition of vocational education
- Requirements regarding Institute board / Council composition
- Clear definition of the regions
- Institutional autonomy and academic freedom
- An explicit statement about how the institution's commitments with regard to Te Tiriti o Waitangi will be expressed through all levels – governance, management, operations
- Diversity and cultural competence
- Engagement with regions and communities (i.e. Community-focussed provision)
- Positive outcomes for learners, communities, businesses
- Equitable outcomes for all learners, with special attention to Māori, Pacific peoples and new immigrants
- Create a supportive environment for staff and students
- Commitment to lifelong learning
- Lay out the future vision for vocational education in New Zealand
- Short, medium and long term goals for the Institute
- Long term skills planning
- Engagement with local businesses and industry
- To prepare world and work ready graduates
- Fostering applied research, innovation
- Literacy and numeracy
- International delivery
- A strong statement that the vision of the Institute is collaboration, not competition
- Ensuring that programme learning outcomes are the same nationwide so that a student could start studying at one branch of the Institute and move to another if need be
- An expression of the intended culture of the Institute
- Ethical teaching standards

Student leadership proposed ways to ensure the student voice was present in decision-making

“As a student body, we all have opinions on the future of the education reform and we should talk and be heard, as we are the recipients of the change.”

ITP student

Suggestions included seats reserved for students in campus committees and regional learning hubs; at least two seats on the Institute Council should be held by staff and students; and core student associations should be allowed at all major regional operations, with presidents of association forming a subcommittee to the Institute Council.

ITPs differed in opinion about what functions could be centralised

Most agreed that student administration services and quality assurance could sit at the centre. There was some disagreement as to whether finance and asset management, and programme and resource development, should sit at the centre.

Online learning systems were a topic of discussion

Several ITPs noted that the consultation document appeared to limit the proposed Institute to online delivery through the Open Polytechnic's learning platform only. There was mixed support for the proposal, with submissions also describing the merits of the shared TANZ eCampus currently used by seven ITPs, and the SIT2Learn platform used by Southern Institute of Technology.

A number of stakeholders wanted to retain decision making at a regional level

Submitters frequently mentioned that there should be regional autonomy to varying degrees. Some of the suggested devolved functions regions could be responsible for include regulating regional training, decision making on which programmes are delivered and some flexibility and academic freedom to tailor programmes to the local needs.

How could we best ensure that a New Zealand Institute of Skills & Technology would deliver to the needs of New Zealand's regions?

■ Consultation document:
Proposal 2

“Alignment of education provision to economic development objectives and needs of regions and industry is essential.”

Chamber of commerce

“Having a “head office” will seriously compromise our flexibility, innovation and responsiveness ... Having to ask for “permission” to do something from “head office” elsewhere in the country will most likely lead to slow decision making and in turn this will mean that [ITP] will not be able to react to the local needs of our stakeholders, employers, communities and learners in a timely manner.”

Works at an ITP

Some submitters indicated that for the system to work well the central institute needs to have a strong and open communication channel with regional delivery.

Concerns were raised about maintaining Māori partnerships centrally instead of regionally, with a preference for this to be maintained regionally.

Employers from specific regions were concerned that the performance and regional identity of their well-performing ITP would be lost as a result of Proposal 2.

During consultation and engagement, there was significant interest in the place of degree-level provision in the proposed Institute structure. Some providers were concerned that regional autonomy over degree-level provision may be lost, as degree level provision would be offered through a consolidated entity that lacked sufficient regional autonomy to make decisions over its degree provision.

Many ITPs indicated these proposals would affect their community and students

Specifically, they were concerned about a loss of autonomy (for regional operations), more administrative layers, a reduction in training standards and the discouragement of creativity and innovation.

A common theme was the negative impact on communities and students as a result of the proposed changes, at least temporarily.

However, other stakeholders acknowledged the benefits that the Institute could bring to the regions of New Zealand, particularly those currently underserved by the ITP sector. These stakeholders noted the potential for the sharing of resources and of good practice, allowing front line staff to focus on the delivery of education. The potential creation of the Institute, along with the introduction of funding reform as per Proposal 3, would help to enable geographically isolated communities to access education.

Regions want to maintain their international student base

A number of submitters were concerned that recruitment of international students would be done by the consolidated entity, meaning that individual regions could not leverage their unique qualities and local relationships to attract students to their region.

Community members considered it critical to balance regional autonomy and consolidation

This was especially important in small, remote regions where success is dependent on local relationships built over a long period of time.

Attendees also questioned the impact of the reforms on the international reputation of regions where ITPs attracted high contingencies of international students.

Students and staff also wanted to understand the implications of the reform for degree-level qualifications.

Consideration needs to be given to the varying needs of regional New Zealand

Submitters noted that a one-size-fits-all approach doesn't work for the regions in New Zealand. Each region is different, with different needs, people, communities and industries. Educational delivery should be tailored to accommodate these differences. There is a need to have equity for all learners and regions and consideration would need to be given to how regions will be defined, and whether more than one regional operation of the Institute would be kept in a regions such as Auckland.

What kind of Regional Leadership Group structure might work best, and what other functions could these groups fulfil? What should the term for these regional groups be?

- Consultation document: Proposal 2

Regional Leadership Group Structure

There was interest in a strong regional voice within the Institute and Regional Leadership Groups. However, there seemed to be general confusion over the function and purpose of the Regional Leadership Groups and whether they would be integrated into part of the Institute. There was also some confusion over the accountability and relationship between the Tertiary Education Commission, the Institute, ISBs and other providers.

Some employers have mentioned that they like the idea of greater regional control, and more consistent provision, across the ITP network. In particular, employers particularly support the idea of Regional Leadership Groups.

Submitters provided a broad range for RLG member terms

Membership term suggestions ranged from one to seven years, with most submitters preferring a three-year term for RLG members.

Some ITPs noted the importance of existing partnerships

Some ITPs were concerned that the proposed changes could have a negative impact on their existing partnerships with industry bodies, employers, iwi, and community groups. They note that any transition period would need to be open and transparent to ensure that all sector participants are aligned in thinking and practice.

PTEs are generally supportive of RLGs

They indicated that any Regional Leadership Group should include at least one PTE member, to ensure that sufficient oversight of all delivery within the region in question is considered.

Very few submitters commented on the structure of the Regional Leadership Groups

There were suggestions that there could be working parties or subcommittees that sat underneath the overarching structure.

Suggestions from submitters that engaged on the functions of the Regional Leadership Groups included:

- *Providing insights into the needs of their regions.*
- *Supporting and advising employers and industry.*
- *Indicating learning needs and skills shortages to inform programme development.*

"It is unclear how the Government's proposal for a single and fully-centralised organisation would be able to maintain these partnerships within [the] region. Conversely, a weakening of these partnerships and existing relationships would impact on the successful delivery of economic and social outcomes..."

City council

- *Understanding the impacts of new technologies on their local industries*
- *Identifying employment opportunities and demands.*

Do you believe that Regional Leadership Groups will be able to actively and representatively consider Iwi and Māori interests? If not, what other vehicle or means of understanding Māori skills needs should be considered?

■ Consultation document:

“The boundary of regional vocational provision should remain aligned with Iwi boundaries, and initiatives that give effect to local partnership, including the constitution and function of Regional Leadership Groups, must be maintained.”

ITP

Thinking about “Regional Leadership Groups”, is this the right name for these proposed new bodies?

■ Consultation document: Proposal 2

Māori indicated they expected a strong voice in the Institute and equal partnership in Regional Leadership Groups

Most submitters agree that the Regional Leadership Groups will be able to represent iwi and Māori interests, however this will largely be determined on how the Regional Leadership Groups are established with submitters providing broad suggestions.

Suggestions for how the Regional Leadership Groups could better represent iwi and Māori interests include:

- *Partnership and co-design of the Regional Leadership Group structure.*
- *Ensuring the Regional Leadership Group is a decision maker.*
- *Establishing a Regional Māori Vocational Education Strategy.*
- *A strong representation of iwi and Māori interests on Regional Leadership Groups.*

One submission suggested five guiding principles for Regional Leadership Groups to ensure they are able to represent Iwi and Māori interests. These were **Rangatiratanga** (authority and responsibility), **Whakaritanga** (legitimacy), **Kaitiakitanga** (guardianship), **Mahi Kotahitanga** (cooperation), and **Ngakau Mahaki** (respect). These principles focus on Māori in the various roles they hold within the community (individuals, students, industry, educators, for example).

Some, including some ITPs, wanted Regional Leadership Groups to align with iwi boundaries to give effect to local partnerships. One ITP considered the potential that “regions” could begin to reproduce competitive behaviour (such as regional campuses continuing to compete in Auckland). One was unsure how Regional Leadership Groups could effectively support regional responsiveness.

Submitters provided alternatives for naming the Regional Leadership Groups

Submitters who disagreed with the name stated that it is ambiguous and contradicts its purpose. There were concerns raised by a number of submitters that “Leadership” shouldn’t be used if the group does not have local governance and is advisory only.

Submitters who provided alternative names felt Regional Leadership Groups did not represent what the entity was meant to do or did not link back closely enough to the vocational education system. A few submitters would also like to see the specific region represented in the name.

Some alternative names for regional leadership groups

- Regional Steering Group
- Regional Advisory Group
- Regional Vocational Leadership Group
- Regional Investment Group
- [Region i.e. Northland] Vocational Council
- Regional Leadership Networks
- Regional Vocational Education Groups

Across all submitters both for and against the Regional Leadership Group name, there was consensus that these entities should have both an English and te reo Māori name.

A few submitters did not care what the entity is called, with some expressing a desire for the determining the functions of the entity to take priority.

What are your thoughts on Centres of Vocational Excellence? How should their roles be defined and how should they work with Industry Skills Bodies and providers? What should their relationship with Regional Leadership Groups be?

■ Consultation document: Proposal 2

“We agree with this concept, which we see as being similar to what has occurred in the university sector, where certain universities are recognised for their subject specialties.”

Regional economic development agency

Strong support for Centres of Vocational Excellence

Nearly all ITPs supported Centres of Vocational Excellence

Many ITP submissions indicated what kind of Centre of Vocational Excellence they would be best placed to host. There were many comments on what Centres of Vocational Excellence would do as well as questions on how they would operate and be funded.

All ITOs supported the creation of Centres of Vocational Excellence

ITOs were keen to be closely involved in their design. They made some suggestions about what Centres of Vocational Excellence could do and how they should operate within the system. The ITOs wanted to know about their ability to influence Centres of Vocational Excellence once they were up and running, suggesting that ISBs own or have strong representation on the governance of Centres of Vocational Excellence, or control Centre of Vocational Excellence funding.

All PTEs that commented were supportive of Centres of Vocational Excellence

PTEs suggested that Centres of Vocational Excellence should be independent, or have the potential to be housed within industry associations (for example, Federated Farmers).

How strongly do you agree or disagree with the following statement:

Create Centres of Vocational Excellence focused on teaching and learning, and applied research, in areas of particular importance to New Zealand.

■ Consultation document: Proposal 2

“The benefit of these centres is bringing specialist knowledge and expertise together; which in turn can help drive sector innovation and lift quality. We see this as an opportunity for these centres to work with the sector in achieving a step change in improving the quality of output and productivity.”

Registration body

“In this refined model the System Head Office is charged with planning, coordinating and oversight of the vocational education sector as a system, with powers to intervene in the event of failure of either providers or of provision.”

Otago Polytechnic

Most supported the creation of CoVEs

A large majority of submitters expressed an opinion agreeing with the creation of Centres of Vocational Excellence. Several submitters drew positive comparisons between Centres of Vocational Excellence and Centres of Research Excellence.

Student leadership suggested that Centres of Vocational Excellence would be valuable for many students, but that they should all be well-resourced so that some Centres of Vocational Excellence do not excel at the expense of others.

Submitters who disagreed with this proposal thought establishing CoVEs could create competition between regions and campuses, or they may add another layer of bureaucracy and confusion.

A total of 403 submissions commented on the creation of Centres of Vocational Excellence

75% Agree

26% Disagree

Of people who commented, 75% agreed that Centres of Vocational Excellence should be created and 26% disagreed. As the total is more than 100%, this demonstrates that some people agreed or disagreed with parts of the proposal but not all.

Campaign and form submissions did not express firm opinions on creating Centres of Vocational Excellence.

Alternative models and change paths presented

Several alternative business models were proposed

During our consultation period, stakeholders proposed a range of suggestions for the final (or transition) form of the Institute, or for an entirely different model altogether for the ITP sector. Much of the feedback submitted was about ensuring that the business model for the Institute had enough flexibility and decision making authority devolved from the centre, so regional operations were empowered to act for the benefit of their local communities. Generally, submitters neither offered developed alternative models nor articulated what the new structure of the Institute could be, but noted the key issues that they felt should be considered in the creation of any business model.

Suggested business models included:

Parent-subsidiary

Several ITPs were supportive of a highly autonomous, devolved business model for the Institute, with a degree of consolidation mainly in curriculum development style functions. These proposed alternative models were more similar to a “parent-subsidiary” type model rather than the “head office-branch” model, as the consultation model was interpreted as. In this approach, submitters suggested to convert all ITPs into subsidiaries of the Institute, which would act as the parent organisation. Subsidiaries would have their own boards but be accountable to the parent Institute. The Institute would have overall accountability for system performance and be

responsible for shared services and the development of core curricula and programmes. CEOs would be jointly appointed by the parent and the subsidiary board. This model was suggested as likely more attractive (and with mana) to potential board members in regions than the role of an advisor on Regional Leadership Groups.

Membership-based

There was a suggestion that the Institute should be an association with ITP membership. Struggling institutes would be directly managed by the association and high performing institutes would be given the opportunity to remain autonomous entities with the ability to buy into the shared services or be performance managed under the association if they ever became non-viable.

Crown entities with earned autonomy for regional providers

Another model offered was to establish regional providers as Crown entities, operating as a subsidiary of the Institute. These entities would operate within an 'earned autonomy' model that rewards high performing organisations with a high degree of decision-making power.

Consolidated larger ITPs

Some submitters wanted a model that retained regional connectedness and avoided complex layers of bureaucracy they thought would result from creating the Institute. These submitters suggested consolidating current ITPs into regional organisations large enough to get economies of scale to ensure viability without losing local connection – four-regionally based polytechnics plus an online provider were suggested as an example.

Two-tiered system with legislative functions

There were some suggestions of a two-tiered model with a national head office to be responsible for planning, coordinating and oversight of the system as a whole, with powers to intervene in the event of failure and a second-tier of regional centres responsible for meeting the training and education needs in their region, or nationally if mandated to do so. In one version offered of a two-tiered model, both tiers would have legislative functions and autonomous decision-making rights and would be governed by independent boards, guided by charters.

These alternative models presented were largely focused around the same sorts of principles. These included the need to facilitate and develop collaboration within the system, to enable efficiencies (particularly across shared service functions) where possible, and the sharing of excellence or knowledge where this was of value to the network. Others suggested that the new business model needs to consider both the learners/trainees and employers as the two different customers the Institute would serve.

Submitters suggested change paths

Regardless of the final business model offered, a number of submitters noted the importance of a managed transition process, and how this would be key to ensuring that enrolments continued in the Institute, even while a considerable change process was ongoing. Some stakeholders discussed how the outcomes of the reform could be met following alternative change paths, or potential considerations for change.

"We think that the proposals could be improved by Establishing Regional Providers as Crown entities operating as subsidiaries of NZIT within an 'earned autonomy' model so that high-performing organisations can retain a high degree of decision-making power."

EIT

Suggested change paths included:

Opt-in opportunity for strong performers or consolidate only struggling ITPs to begin with

Submitters felt that poorly performing ITPs should be merged but high performing ITPs should have the option to opt-in or -out of the proposals. There was a proposal that if fewer consolidated ITPs improved under the new model, it would potentially be an incentive for others to join.

Consolidate ITPs before the ITOs/ISBs

Another change path offered was to consolidate ITPs into the Institute first followed by a careful transition of ITOs into ISBs and then an integration of the ISBs into the sector once the changes in the provider space have somewhat bedded-in.

Proposal 2 generated campaign and template submission activities

Stand up for SIT campaign

The Stand up for SIT campaign was independently run by Invercargill businesswomen Carla Forbes. Feedback from campaign supporters was consolidated before being sent to the Reform of Vocational Education team for analysis.

Support for the Stand up for SIT campaign was demonstrated through both the visit to Southern Institute of Technology on 1 March 2019, and a number of form submissions that were sent in response to the proposals. These numbered 853 in total. There were also some individual letters submitted regarding Southern Institute of Technology, and referencing the Stand up for SIT campaign, but also representing individual points of view through non-templated letters.

The submissions from supporters of the Stand up for SIT campaign were from a wide variety of stakeholders, including current and former students, community members, staff of the Southern Institute of Technology, local employers, business people and local Government.

While some submitters were supportive of aspects of the proposals, nearly all were opposed to the proposal to create the Institute (incorporating Southern Institute of Technology). The key concerns of the Stand up for SIT campaign were:

- The contribution that Southern Institute of Technology makes to its region, and in attracting learners (particularly international learners) to study via its fees-free programme (and concerns over whether this could continue).
- The prudent fiscal management demonstrated by the Southern Institute of Technology, and whether cash reserves could be retained for investment in the region.
- That Southern Institute of Technology is a successful ITP, and should not be punished for the failures of others within the ITP system (or treated the same way).
- That local relationships with the Southern Institute of Technology may be jeopardised should some functions be consolidated, and that the delivery of regionally responsive programmes would be less likely due to a lack of local/regional decision making authority.

“SIT is OUR institute and is so successful because Southland supports it so much. We are unique because we run well and are very successful. Others should learn from us. Not us joining with others to be pulled down.”

Stand Up for SIT campaign submission

- The potential loss of the SIT2Learn (online delivery) platform.

An additional SIT-related template generated 65 submissions.

UROP campaign

The UROP campaign was a student-led initiative formed by Otago Polytechnic to educate student peers on the proposed reform, and providing them a platform to voice their opinions.

Support for the UROP campaign was demonstrated through both the visit to Otago Polytechnic on 5 March 2019, and a number of form and video submissions that were sent in response to the proposals. These numbered 92 in total. There were also the video submissions that reflected comments made in written submissions.

The form template submissions from supporters of the UROP campaign were mainly from current students of Otago Polytechnic.

As with the Stand up for SIT campaign, although some submitters were supportive of aspects of the proposals, nearly all were opposed to the proposal to create the Institute (incorporating Otago Polytechnic). The key concerns of the UROP campaign were:

- Students at Otago Polytechnic really enjoyed the student experience and support they received at Otago Polytechnic, and wanted to make sure this didn't change.
- Ensuring that Otago Polytechnic is able to remain responsive to its local community, and deliver a quality learning environment and experience to students.
- Too much 'standardisation' of the education experience, and wanted individuality to be considered.
- Students had often picked attending Otago Polytechnic for a specific reason – including the brand and reputation – and worried this may be lost in a large, merged Institute.

An additional Otago Polytechnic-related template generated 18 submissions.

"Studying IT, I feel that I have made a far better choice by choosing OP over any university IT degree. I feel my lecturers and the course have given me amazing opportunities to learn and prepare for taking my found knowledge into the "real world". This degree and this polytechnic have helped me thrive and learn in my field."

UROP campaign submission

What we heard about Proposal 3

A unified funding system

The changes outlined in Proposals 1 and 2 would need to be supported by a new funding system.

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 ISBs can fulfil their roles.

Do you agree that a unified funding system for vocational education, encompassing both provider-based and work-based learning, will help to improve our overall vocational education system?

■ Consultation document:
Proposal 3

There was strong support for the development of a new unified funding system

There is broad stakeholder support for funding reform. Around 85% of submissions on this proposal supported the creation of a unified funding system, including almost ITPs and ITOs. Many people considered this the key change and supported making this change before the structural changes in Proposals 1 and 2. Through our consultation, we heard that changes to funding are an opportunity to ensure the system better supports education provision that is responsive to a diversity of types and levels of needs which may be related to geography, socioeconomic, and/or prior education attainment or experience. Common themes were that the funding system should be equitable, simple, transparent, and ensure accountability.

A total of 440 submissions commented on the creation of a unified funding system

84% Agree

16%

Of people who commented, 84% agreed a unified funding system would help to improve our overall vocational education system and 16% disagreed (with form and campaign submissions removed).

Including the 34 form and campaign submissions that expressed an opinion, 79% of submissions agreed and 21% disagreed. The seven campaign and form submissions that agreed represented Skills Active. There were 27 campaign and form submissions disagreeing, which represented Active (13), Competenz (13) and the hairdressing industry (3).

The majority of nearly all perspectives agreed.

More likely to disagree:

– Form and campaign submitters

“Our shared vision is of a public vocational education sector where all people have access to opportunities to develop skills, learn trades, and create knowledge which benefits our families, communities and economy. That means funding must support equitable access to quality lifelong learning. And it means students, staff and the community must have a strong voice in decisions.”

TEU leadership

Smarter investment for employers

Several employers commented that they liked the fact there would be ‘smarter investment’ in training as a result of the changes. These employers also commented that the change would create a funding system tailored to learner and learning needs, and not the needs of institutions.

Several submitters identified cost and funding impacts

Several submitters considered that the unified funding system should encourage retraining and lifelong learning, for example, noting many Māori are working in industries at greater risk of change due to technology.

Others noted a need to consider costs and other potential fiscal implications. Some suggested that any estimated costs would likely underestimate the full costs and time needed to implement the proposals, overestimate the cost savings that are likely to be achieved through consolidation of functions within the Institute, and would not take into account the costs incurred by businesses.

What to consider in designing a new funding system

A variety of concepts emerged that funding changes could consider. Among them were the vocational training needs of those disrupted by technological changes, the learning needs of individuals (for example, having higher funding rates for those learners who require additional learning support) and different costs of training for specific industries.

Responsiveness to economic factors included the ability for regional provision to respond swiftly to changes in demand and the need for multi-year funding to reflect fluctuations in learner demand.

Flexibility was noted to fund a range of training delivery types, including micro-credentials, short courses, just-in-time learning and other non-formal learning.

Also identified was the potential for a Māori investment model allowing Māori businesses to directly benefit from iwi investment in skills.

Support for different groups of learners

There was consistent feedback about funding support that better reflects the learning needs of different groups of learners.

Several submitters stated the importance of being able to provide more intensive and tailored pastoral care to support the retention and achievement of Māori and Pacific learners, and learners with disabilities; and that this would require additional funding.

ITPs expressed concerns about the current volume-driven funding model

ITPs recommended that the unified funding system should:

- Enable and encourage providers to respond to changes in demand – but also to insulate providers from changes in the economic cycle.
- Provide multi-year funding, as opposed to annual funding allocations.
- Introduce some form of base-funding, e.g. to cover basic running costs such as administration, core staffing, and infrastructure.

Hui provided feedback on funding opportunities for Māori

A recurring theme through the iwi and Māori consultation process for the Reform of Vocational Education was that the current funding system

What do you think the Government needs to consider in designing a new funding system?

- Consultation document: Proposal 3

“The idea of a per-learner top-up for delivery in more remote or sparsely populated areas is excellent. This has been a huge challenge for training in primary industries, resulting in either unviable small class sizes or no training because there are insufficient numbers in each location..”

Programme designer for the PTE portion of primary industries

“... we see this as an opportunity to create a new working relationship between the wānanga sector and the Crown – one focused on designing solutions (i.e. monitoring, quality assurance, funding mechanisms) that are ‘fit for purpose’ with our distinct role and unique contribution.”

Wānanga

Are the suggested elements for a vocational education funding system the right ones? What might be missing?

- Consultation document: Proposal 3

constrains the ability for providers to offer small volume programmes that are aligned to this very fast growing and key area of regional development.

Numerous iwi and Māori entities across the country said they are newly positioned to actively develop and manage their own land assets. Iwi have noted they want to upskill a small number of their own people locally to manage things like farm, fishing, property or tourism assets, which the current funding systems do not enable due to the small volume. Iwi and Māori entities that are long term asset owners, and cannot usually realise capital gains, have said the focus on skills as an input to increasing profitability is very important.

Some hui speakers noted the inflexibility in the current funding system and the related inability of providers to support small volume skills provision to support iwi development has also generated low iwi and Māori confidence in providers in many regions across the country.

Wānanga reinforced the importance of a holistic view of learner success

Wānanga considered that the design of a new funding system need to take into account benefits to whānau, hapū, iwi and community. Particular priorities for Wānanga included:

- Ensuring the future funding system supports Māori learning frameworks, mātauranga Māori, te reo Māori and tikanga Māori delivery.
- Designing a more equitable funding system to take into account factors such as geographic isolation, transportation, financial hardship, and other barriers which affect learner access to vocational education.
- Building in financial incentives to encourage employers to offer work-based training (e.g. employer subsidies for employing apprentices).

The right elements for inclusion in funding system design

During consultation, we heard that changes to funding are an opportunity to ensure a funding system better supports education provision that is responsive to a diversity of types and levels of needs, and works to remove barriers to access, sustained participation and completion, which may be related to geography, socioeconomics, and/or prior education attainment or experience. There is an opportunity for policy development on a unified funding system to be informed by meaningful engagement with key stakeholders in the disability sector.

PTEs expressed concern that funding for education and training has not kept up with delivery costs

They indicated that any differentiation in funding rates should reflect costs more accurately. PTEs also expressed support for:

- More integrated funding, so that learners can move more easily across different modes of learning (e.g. from full-time study to apprenticeships).
- Greater alignment of work-based and provider-based pastoral care support.
- The introduction of a mixed model of volume and base funding to cover fixed costs and address sustainability issues across the business cycle.

“We support ... More standardised rates for both on-job and off-job training, that more accurately reflect their actual costs ... We do not support employers being asked to pay twice, once for the training contribution and again for the funding of the ISB.”

HITO

ITOs wanted a new, fairer funding system

They want funding to address unnecessary competitive behaviour, take into account differences in delivery costs, and to incentivise employers to engage in formal vocational education and training. Specific suggestions from individual ITOs included:

- Targeting funding to support strategically important delivery (e.g. to address regional or industry skill shortages)
- Varying funding rates on the basis of costs associated with factors such as location, delivery mode, industry, capital investment, health and safety requirements, and learner needs.

Feedback received on the engagement process

Submissions raised concerns that the consultation period was not long enough for the scope of change being proposed, even with an extension due to the events in Christchurch in March 2019. There were also concerns that there wasn't enough detail to engage with the proposals, or that the timing of the proposals could have a negative impact on the skills pipelines of industries already facing labour shortages – particularly during any transition period.

Citing the speed of consultation, Māori questioned whether or not the Government was serious and committed to a partnership approach.

There were also a number of comments suggesting that submitters were seeking clarity and a rapid change process to minimise disruption for learners, employers, and staff of affected organisations, and recognition that the short consultation period may be the result of a need for stability and decisions on a fast timeframe.

Some submitters noted that misinformation was spread during the consultation process, including that all ITP delivery would be centralised to Wellington, that there would be no regional campuses; that only the Institute would be able to deliver industry training; or that workplace-based training would cease entirely.

A range of stakeholders expressed concern about the speed of the consultation process, with specific concern being presented by the following groups.

Many ITOs raised concerns about the consultation process. Including the lack of initial engagement with the vocational education and training system review, the short consultation period, a lack of alternative options being presented and the limited detail on some of the proposed changes.

Standard setting bodies, occupational regulators, industry and employers wanted greater engagement. We heard that many industry bodies wanted greater engagement during the process, including some proposing to pilot new approaches.

Community stakeholders indicated it was difficult to get their heads around the proposals. Many of these stakeholders were not in the education sector, and felt that the consultation period was too short a time to truly understand the potential ramifications of the proposals.

Appendix A - Glossary

Glossary of acronyms	
ISB	Industry Skills Body
ITP	Institute of technology and polytechnics
ITO	Industry training organisation
NZIST	New Zealand Institute of Skills and Technology (proposed name)
PTE	Private training establishment
RoVE	Reform of Vocational Education
TEO	Tertiary education organisation

Appendix B - Overview of public consultation

Engagement events and meetings

During the Reform of Vocational Education consultation period, launched on 13 February 2019, we engaged with more than 5,000 people through approximately 190 stakeholder conversations had across the country. We engaged with a range of partners and stakeholders; including iwi, Māori, ITO and ITP staff, Council and Board members, learners and trainees; employers; industry bodies; wānanga; private training establishments and other education sector participants; unions and student associations; and community members and leaders. Employers and industry participants offered perspectives from a wide range of sectors. Learners also represented a variety of interests, including Māori and Pacific peoples, people with disabilities and other learning support needs, apprentices, trainees, international students, and degree students.

Consultation closed on 5 April 2019. In total, 2,904 submissions were received.

A brief overview of engagement

Wānanga meetings

We had several meetings with wānanga to consider how the Reform of Vocational Education could best meet their aspirations for Māori learners and improve outcomes for Māori.

Meetings with industry and employers

We presented at or hosted more than 20 meetings where a wide range of industry representatives and employers were able to engage with the Minister and officials. These included, but were not limited to, engagement with Federated Farmers New Zealand, a series of technical workshops, participating in engagements facilitated by Business New Zealand, and presenting at the Building and Construction ITO summit.

Hui with our Māori relationships

Understanding how the Reform of Vocational Education could best help meet Māori aspirations was a central theme in the reform process. At a number of our engagement events with ITPs, we also engaged with local Māori and iwi. In addition, we held 13 hui specifically with iwi and Māori business and education peak bodies. These were held in Blenheim, Christchurch, Gisborne, Hamilton, New Plymouth, Porirua, Rotorua, South Auckland, Tauranga, Wellington and Whangarei.

Fono with Pacific peoples

We held four public engagement meetings with Pacific stakeholders around the country, in South Auckland, Hamilton, Porirua and Central Auckland.

Public engagement meetings

We held 15 public engagement meetings around the country. These were held in Whangarei, Invercargill, Dunedin, Porirua, Petone, Christchurch, Napier, Greymouth, Nelson, Gisborne, Rotorua, Auckland Central, South Auckland, Palmerston North and Blenheim.

Meetings with ITOs

We held 35 meetings with ITOs. These meetings helped us understand the wide variety of perspectives at ITOs, from CEs and Chairs, to senior leaders, employers, staff and industry. These were mainly facilitated meetings held at ITOs, and some held in Wellington. ITOs also hosted meetings with employers.

Meetings with ITPs

We held 82 meetings with ITPs. These meetings helped us understand the wide variety of perspectives from ITPs, from Chairs and CEs, to senior leaders, broader staff and learners. They took a variety of forms, from table discussions, to presentations, to drop-in hubs.

Other meetings

We had other meetings not described above with local government, unions, the voluntary and NGO sector, and other education sector organisations.

How we received submissions

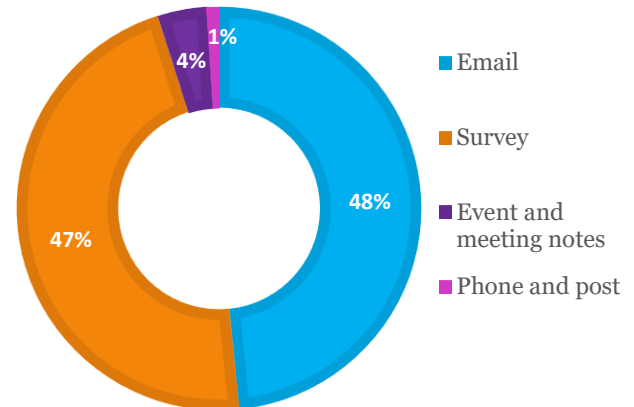
All engagement during the consultation period was considered as submissions. Where possible, meetings and events had notes recorded summarising engagement and feedback. Formal submissions were received in several formats, including:

- an online survey hosted on the Ministry of Education's Kōrero Mātauranga | Education Conversation website
- email
- events and meetings
- telephone and post

Template and campaign submissions

Some organisations engaged in campaigns and/or provided templates for stakeholders to fill and submit, resulting in a total of 1,490 submissions of this type. A list of all submissions of this type is here:

HOW SUBMISSIONS WERE RECEIVED



Organisation or industry	Stakeholders represented by template and campaign submissions Total 1,490
Arborist template	8
Careerforce template	25
Competenz template	13
Electric template	11
Hairdressers template	35
Otago	18
Otago-UROP campaign	92
Printing template	1
Roofing template	24
SIT template	65
Stand Up for SIT campaign	853
Skills Active	345

A possible ITO campaign (see page 36) of 24 submissions is not included in the total

Submissions representing collectives of stakeholder feedback

Many organisations noted that their submissions represented the collective views of their stakeholders, received through their own surveys, engagement or other collection processes. A representative sample of these, not including all submitters in this situation, is included below.

Organisation	Stakeholders surveyed or engaged and represented in submission
Ara Institute of Canterbury	Stakeholders including local government, regional mayors and economic development agencies/chambers of commerce, iwi, and the staff, current learners and graduates of the ITP
Building and Construction ITO	Over 1,200 current and former employers and 1,300 current apprentices
Careerforce	464 Careerforce employers and stakeholders
Competenz	More than 1,000 employers, industry leaders and other impacted stakeholders
Connexis	Industry feedback through a series of consultation roadshows around the country and via an on-line survey on the Connexis website
Fletcher Building	27 business units that are part of the Fletcher Building Group
Hairdressing ITO	295 meeting attendee signatures and feedback forms
Industry Training Federation	The ITF membership, and informed by feedback from over 6,500 industry associations, employers, iwi, trainees and apprentices, and other key stakeholders in New Zealand's industry training and apprenticeships sector
Motor ITO	446 employers, learners and national corporate entities
Nelson Marlborough Institute of Technology	114 stakeholders
New Zealand Council of Trade Unions Te Kauae Kaimahi	27 unions affiliated to the CTU
New Zealand Marine and Composites ITO	ITO employers and board members, over 25 people at consultation meetings and letters of support from leaders of seven organisations
Primary ITO	100 organisations throughout the primary industry sector
Service IQ	Key employers and industry associations and survey of employers
Skills Active	Shareholders, industry stakeholders, employers, employees, trainees, iwi groups, board and staff

Tai Tokerau District Māori Council	Current ākonga/apprentices; employers with strong commitment to industry training; ITO staff, PTEs, businesses and employers, local trusts, and a Māori and Pasifika Trades Training provider
Tai Tokerau Wānanga/NorthTec	13 named organisations, staff and students and many individuals
Te Kāhui Mātauranga	Iwi leaders of seven rohe
Te Rautaki Whakarōpū Māori	51 delegates representing 21 iwi affiliations
Te Rūnanga o Te Whare Wānanga o Wairaka	Māori representatives who possess extensive Māori, Government and non-Government organisation networks across the Tāmaki Makaurau region
Unitec	Staff, partners and community
Western Institute of Technology at Taranaki	30 leaders of local government, iwi, businesses and schools

Submitters brought a wide variety of perspectives to their feedback

Where possible through analysis of individual submissions, we categorised submitters based on the perspective that they said they represented. The following table indicates those perspectives. In addition to the individual submissions represented below, we learned about what people were interested in through approximately 190 community meetings, hui, fono and stakeholder conversations where we spoke to over 5,000 people.

Respondent's Perspective	Number of submissions	Respondent's Perspective	Number of submissions
Anonymous / unknown	14	Local or regional authority	26
Cares for someone with disability and/or requires additional support to learn	8	Member of the general public	146
Education Peak Body	7	NGOs / community associations / other associations	22
Education sector body / Work in education sector	289	Other	81
Education union / union / student association	28	Parent to a student(s)	33
Employer/Industry professional	301	Private Training Establishment (PTE)	50
Form and campaign submissions	1,490	Secondary school or below	15
Industry Body / Licensing Body / Chamber of commerce	127	Student, apprentice or trainee	85
Industry Training Organisation (ITO)	33	TEO Consultation / Other Event Summary	61
Institute of Technology or Polytechnic (ITP)	158	University	10

Respondent's Perspective	Number of submissions	Respondent's Perspective	Number of submissions
Iwi / Māori authority	10	Wānanga	5
Māori perspectives	217	Pacific peoples' perspectives	70
Public sector (eg local government)	15		

Submitters could indicate affiliation with more than one category. They are counted in each, and summing across the categories will produce a number greater than, 2,904, the total number of distinct submitters.