Dear Michael

Thank you for your letter of 4 July 2019 to the Ministry of Education (the Ministry) and the Tertiary Education Commission (TEC) requesting the following information:

• *Copies of any material developed by either the Ministry of Education or the Tertiary Education Commission summarising submissions on the Reform of Vocational Education.*

I am requesting both material developed for the purpose of advising Ministers, and material developed for internal use by the Ministry of Education and TEC. This includes, but is not limited to, the summary referred to in Parliament by Hon Tracey Martin on 25 June this year.

For clarity, this request includes reports, briefings, aide memoire, memo, A3s, spreadsheets, and other documentation.

Your request has been considered under the Official Information Act 1982 (the Act).

We have identified 29 documents in scope of your request. These are outlined, together with my decision as to their release, in the table attached as **Appendix A**.

Some information has been withheld from the documents I am releasing to you under the following sections of the Act:

- section 9(2)(a) of the Act, to protect the privacy of natural persons;
- section 9(2)(b)(ii) of the Act, to protect the commercial position of the subject of the information; and
- section 9(2)(f)(iv) of the Act, to protect the confidentiality of advice which remains under active consideration.

I have identified no public interest considerations sufficient to outweigh the need to withhold this information at this time.

Please note, the Ministry now proactively publishes OIA responses on our website. As such, we may publish this response on our website after five working days. Your name and contact details will be removed.

OIA: 1198577
National Office, Mātauranga House, 33 Bowen Street, Wellington 6011
PO Box 1666, Wellington 6140. Phone: +64 4 463 8000 Fax: +64 4 463 8001

education.govt.nz

Thank you again for your email. You have the right to ask an Ombudsman to review this decision. You can do this by writing to info@ombudsman.parliament.nz or Office of the Ombudsman, PO Box 10152, Wellington 6143.

Yours sincerely

Grant Klinkum
Deputy Secretary
Graduate Achievement Vocations and Careers

cc:

Appendix A

Document Number	Agency Lead	Date	Title	Decision on Release
1	MOE and TEC 1179234	7 March 2019	*Tertiary Education Report*: Annotated Agenda to support discussion on RoVE on Monday 11 March 2019	**Refused under section 18(d).** Publicly available on the Kōrero Mātauranga (Education Conversation) website at the following link: https://conversation.education.govt.nz/conversations/reform-of-vocational-education/about-the-reform-of-vocational-education/background-papers/
2	MOE and TEC 1183856	8 April 2019	*Tertiary Education Report*: Annotated Agenda to support RoVE Strategy Session on 10 April 2019	**Refused under section 18(d).** Publicly available on the Kōrero Mātauranga website at the following link: https://conversation.education.govt.nz/conversations/reform-of-vocational-education/about-the-reform-of-vocational-education/background-papers/
3	MOE 1186869	26 April 2019	*Briefing Note*: RoVE ensuring a new vocational education system supports Pacific learner success	**Released in Part.** Some information withheld under section 9(2)(a) and 9(2)(f)(iv) of the Act.
4	MOE 1186442	26 April 2019	*Briefing Note*: RoVE – ensuring a new vocational education system supports Māori learner success	**Refused under section 18(d).** Publicly available on the Kōrero Mātauranga website at the following link: https://conversation.education.govt.nz/conversations/reform-of-vocational-education/about-the-reform-of-vocational-education/background-papers/
5	MOE and TEC 1184640	26 April 2019	*Tertiary Education Report*: Annotated Agenda to support discussion on RoVE Proposal one	**Refused under section 18(d).** Publicly available on the Kōrero Mātauranga website at the following link: https://conversation.education.govt.nz/conversations/reform-of-vocational-education/about-the-reform-of-vocational-education/background-papers/

Document Number	Agency Lead	Date	Title	Decision on Release
6	MOE 1188354	7 May 2019	*Briefing Note*: RoVE: Ensuring a new vocational education system supports disabled learners' success	**Refused under section 18(d).** Publicly available on the Kōrero Mātauranga website at the following link: https://conversation.education.govt.nz/conversations/reform-of-vocational-education/about-the-reform-of-vocational-education/background-papers/
7	MOE and TEC 1187912	9 May 2019	*Tertiary Education Report*: Annotated Agenda to support discussion on RoVE Proposal three, and the fiscal and systems implications of RoVE	**Refused under section 18(d).** Publicly available on the Kōrero Mātauranga website at the following link: https://conversation.education.govt.nz/conversations/reform-of-vocational-education/about-the-reform-of-vocational-education/background-papers/
8	MOE/TEC led 1187910/ B-19-00605	11 May 2019	*Tertiary Education Report*: Annotated Agenda to support discussion on RoVE Proposal two	**Refused under section 18(d).** Publicly available on the Kōrero Mātauranga website at the following link: https://conversation.education.govt.nz/conversations/reform-of-vocational-education/about-the-reform-of-vocational-education/background-papers/
9	MOE and TEC 1192733	31 May 2019	*Education Report*: Summary of public consultation, Regulatory Impact Assessment and Programme Business Case for Reform of Vocational Education	**Refused under section 18(d).** Publicly available on the Kōrero Mātauranga website at the following link: https://conversation.education.govt.nz/conversations/reform-of-vocational-education/about-the-reform-of-vocational-education/background-papers/
10	MOE 1193405	6 June 2019	*Education Report*: Reflecting Māori Crown relationships in tertiary education, including RoVE	**Refused under section 18(d).** Publicly available on the Kōrero Mātauranga website at the following link: https://conversation.education.govt.nz/conversations/reform-of-vocational-education/about-the-reform-of-vocational-education/background-papers/

Document Number	Agency Lead	Date	Title	Decision on Release
11	MOE and TEC 1194893	27 June 2019	*Tertiary Education Report:* Annotated Agendas to support the drafting of legislation to implement the RoVE and supplementary work.	**Refused under section 18(d).** Publicly available on the Kōrero Mātauranga website at the following link: https://conversation.education.govt.nz/conversations/reform-of-vocational-education/about-the-reform-of-vocational-education/background-papers/
12	MOE and TEC 1199812	19 July 2019	*Aide Memoire:* Refom of Vocational Education – Cabinet Papers	**Refused under section 18(d).** Publicly available on the Kōrero Mātauranga website at the following link: https://conversation.education.govt.nz/conversations/reform-of-vocational-education/about-the-reform-of-vocational-education/background-papers/
13	MOE and TEC 1190415	17 May 2019	*Tertiary Education Report:* Annotated Agenda to support discussion on RoVE transition arrangements, the formation of Industry Skills Bodies and Centres of Vocational Excellence, and fiscal implications	**Refused under section 18(d).** Publicly available on the Kōrero Mātauranga website at the following link: https://conversation.education.govt.nz/conversations/reform-of-vocational-education/about-the-reform-of-vocational-education/background-papers/
14	MOE and TEC	22 July 2019	Reform of Vocational Education Programme: Programme Business Case	**Refused under section 18(d).** Publicly available on the Kōrero Mātauranga website at the following link: https://conversation.education.govt.nz/conversations/reform-of-vocational-education/about-the-reform-of-vocational-education/background-papers/
15	MOE and TEC	22 July 2019	Cabinet Paper 1: Reform of Vocational Education- Key Decisions	**Refused under section 18(d).** Publicly available on the Kōrero Mātauranga website at the following link: https://conversation.education.govt.nz/conversations/reform-of-vocational-education/about-the-reform-of-vocational-education/background-papers/

Document Number	Agency Lead	Date	Title	Decision on Release
16	MOE	Undated	Summary of Change Decisions	**Refused under section 18(d).** Publicly available on the Kōrero Mātauranga website at the following link: https://conversation.education.govt.nz/assets/RoVE/AoC/RoVE-Summary-of-Change-Decisions.pdf
17	MOE	July 2019	Summary of public consultation and engagement	**Refused under section 18(d).** Publicly available on the Kōrero Mātauranga website at the following link: https://conversation.education.govt.nz/assets/RoVE/AoC/RoVE-Summary-of-Change-Decisions.pdf
18	MOE and TEC	22 July 2019	Regulatory Impact Assessment: Reform of Vocational Educations	**Refused under section 18(d).** Publicly available on the Kōrero Mātauranga website at the following link: https://conversation.education.govt.nz/conversations/reform-of-vocational-education/about-the-reform-of-vocational-education/background-papers/
19	MOE	Undated	Emerging themes from the Reform of Vocational Education Consultation Process	**Released in full.**
20	MOE and TEC	March 2019	Reform of Vocational Education Consultation Process – Status Update Period 25 February – 1 March	**Released in full.**
21	MOE and TEC	March 2019	Reform of Vocational Education Consultation Process – Status Update Period 5 Mar – 8 March 2019	**Released in full.**
22	MOE and and TEC	March 2019	Reform of Vocational Education Consultation Process – Status Update 11 Mar – 15 March 2019	**Released in full.**

Document Number	Agency Lead	Date	Title	Decision on Release
23	MOE and TEC	March 2019	Reform of Vocational Education Consultation Process – Status Update 18 Mar – 22 March 2019	**Released in full.**
24	MOE and TEC	March 2019	Reform of Vocational Education Consultation Process – Status Update 25-29 March 2019	**Released in full.**
25	MOE and TEC	April 2019	Reform of Vocational Education Consultation Process – Status Update 1 – 5 April 2019	**Released in full.**
26	TEC	April 2019	Excerpt from TEC Board Paper – April	**Released in full**
27	TEC	May 2019	Preliminary summary of submissions about the Reform of Vocational Education	**Released in full.**
28	TEC	Undated	Submissions Summary Working Paper	**Released in Part.** Some information withheld under section 9(2)(b)(ii) of the Act.
29	TEC	Undated	Submissions Summary Working Paper 2	**Released in Part.** Some information withheld under section 9(2)(b)(ii) of the Act.

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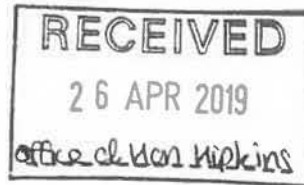
Briefing Note: Reform of Vocational Education: Ensuring a new vocational education system supports Pacific learner success

To:	Hon Chris Hipkins		
Cc:	Hon Jenny Salesa		
Date:	26 April 2019	Priority:	High s 9(2)(a) OIA
Security Level:	In Confidence	METIS No:	1186869
Drafter:	Rebecca Weir	DDI:	
Key Contact:	Vic Johns	DDI:	
Messaging seen by Communications team:	N/A	Round Robin:	No

Purpose

This paper provides you with information on how a new vocational education system could better support Pacific learner success and key areas where there are opportunities for further engagement with Pacific stakeholders on the design and development of the new system.

Summary

s 9(2)(f)(iv) OIA

- Pacific learners, their families and communities are underserved by the current vocational education and training system.

- The significant system change under the RoVE proposals presents an opportunity to ensure that the design of this new system ▮▮▮▮▮▮▮▮▮▮▮ ▮▮▮▮▮▮▮▮▮ supports Pacific learner success.

- We will continue to work with Pacific stakeholders to ensure that their voices and perspectives are championed throughout the development of this work and to enable aspects of the current system that are working well for Pacific learners to be incorporated into the new system.

- Government agencies have identified the following key areas in which it will be possible for Pacific stakeholders to engage with and work on approaches to the RoVE:

  o Industry Skills Bodies formation and recognition

  o the design of skill standards, qualifications and programmes

  o a draft of the charter for the NZ Institute of Skills and Technology (NZIST)

  o the NZIST business model

  o Regional Leadership Groups formation and authority

  o a unified funding system.

- The findings of this paper will be incorporated into wider Reform of Vocational Education (RoVE) advice. Three papers are in preparation (the first of which was provided on 26 April [METIS: 1184640]), addressing each of the three RoVE proposals. Advice has also been provided to Minister Davis on the implications of RoVE for Māori [METIS: 1186442].

Proactive release

Agree that this Briefing will be proactively released once related decisions on the Reform of Vocational Education have been made publicly available.

Agree / Disagree

Grant Klinkum
Deputy Secretary
Graduate Achievement, Vocations and Careers

Hon Chris Hipkins
Minister of Education

26/04/2019

29 / 4 / 19

Background

1. ██

2. The three RoVE proposals will have implications for Pacific learners:

   • **redefining the roles of education providers and industry training organisations (ITOs),** and extending the leadership role of industry and employers through Industry Skills Bodies (ISBs)[1] and of regional communities through Regional Leadership Groups (RLGs)

   • **create a single institution,** the NZ Institute of Skills and Technology (NZIST), to bring together our 16 institutes of technology and polytechnic (ITPs)

   • **create a unified vocational education funding system** to deliver funding for vocational education and industry training through a single funding system.

3. A shift over time to a vocational education system with more opportunities to 'earn while you learn' may work better for Pacific learners, families and communities. We heard that many Pacific people prefer to work and earn money to support their family, rather than studying full-time with no income and taking on debt. It will be important that ongoing design work for the new system takes this into account, for example, so that more Pacific employees are supported to upskill and progress into higher-skilled roles (including to becoming business owners), rather than staying in a 'job for life'.

4. Moving to an integrated VET system, including with providers taking on the arranging training function, could also in time address issues with the existing system in relation to inequitable access to employer networks. Currently Pacific people may not always have the informal connections to gain employment that the industry training system largely operates under (ie people often gain employment based on 'who they know').

5. Key themes from consultation feedback in relation to Pacific learners, families and communities (based on analysis to date) are integrated in some sections below and outlined in Annex One.

A vocational education system that better supports Pacific learner success

6. The system change proposed through RoVE provides an opportunity to design a system that:

   • improves outcomes for Pacific peoples (including learning and employment outcomes)

   • works closely with aiga, Pacific communities and organisations.

7. Decisions around the legislative framework for the new vocational education and training system are being taken over the coming weeks, to inform Cabinet decisions in late June. More detailed design work will take place following Cabinet decisions, and will include opportunities for co-design on a range of issues, including with key Pacific stakeholders. These are outlined in further detail below.

8. It will be important that organisational structures, accountability settings and the funding system take a coherent, 'whole of system' approach to better support Pacific learner success, rather than continuing with add-on initiatives or piecemeal changes.

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[1] ISBs' role would include settings standards across all of vocational education, and providing advice to the Tertiary Education Commission on industry needs.

9. We also acknowledge, however, that it can be challenging to genuinely co-design with a range of stakeholders. For example, it will be important to identify which Pacific employers, and communities to engage with, and how best to continue to engage with them as this work progresses.

Proposal One: Proposed changes to roles and functions of industry and providers

Industry Skills Bodies formation and recognition

10. Our advice to date on ISBs formation and recognition outlines that while it is important that ISBs are primarily accountable to industry, there is likely to be a role for government direction in relation to the overall structure of ISBs (e.g. the number of ISBs). Alongside this, advice also indicates that given the proposed role change moving from ITOs to ISBs that a new approach to the formation process and criteria would be appropriate, and this should be developed in collaboration with a range of key stakeholders.

11. Given this, our advice proposes taking an enabling approach to legislation on ISBs, so that more detailed decisions can be taken as part of a co-design process. Later decisions would include for example the make-up of ISBs' governance arrangements.

12. It will be important that Pacific stakeholders are part of the ISB co-design process, so they have the opportunity to voice how ISBs can be accountable to Pacific employers. The formation and recognition process for ISBs would ensure that they have demonstrated support from their industry, and demonstrate their commitment and capability to meet expectations set out in legislation. For example, the recognition criteria could include, where appropriate, the need to be responsive to Pacific employers and employers with a significant number of Pacific employees.

Role changes in relation to standards setting, programmes and qualifications

13. Advice has outlined that while ISBs high-level functions are likely to be set in legislation, more detailed decisions in relation to skill standards, qualifications and programmes could be enabled by NZQA Rules.

14. Overall it is expected that ISBs and NZQA would both have a role in managing the national consistency of programmes. Further work would be needed with input from key stakeholders to determine how to allow for flexibility for providers to design programmes that are culturally relevant for the diversity of Pacific learners, and to enable assessment that is culturally relevant to better support Pacific learner success.

15. For example, a submission from Whitireia Community Polytechnic highlighted that some ITPs and wānanga have developed programmes tailored to Māori and/or Pacific learners, including for example nursing programmes, in order to improve access to and relevance of learning for these groups and pathway more into the health workforce. It would be important that these types of programmes could continue in the new system.

16. Ongoing work following Cabinet decisions in June will provide further opportunities for engagement with Pacific stakeholders in relation to work on the design of skill standards, qualifications and programmes.

Transition of arranging training function from ITOs to ISBs

17. Under the new system it will also be important that Pacific learners are well supported to access work-integrated learning both when they are employed and when studying full-time.

18. It will be vital to ensure that providers taking on the arranging training function from ITOs are culturally competent to support Pacific learners in the workplace as well as the classroom. We also heard from the RoVE fono that it will also be important to ensure as part of this transition from ITOs to providers that where good practice exists in ITOs in relation to Pacific learners, including pastoral care arrangements, that this is continued by providers.

Proposal Two: NZ Institute of Skills and Technology and Regional Leadership Groups

19. Upcoming advice will cover more detail on these proposals. The information below outlines some options that could be considered as part of decisions on upcoming legislation and ongoing work to enable Pacific voices and perspectives in the NZIST and RLGs.

NZIST Charter

20. Setting up a new institution provides an opportunity to create a culturally responsive education institute. Clearly outlining the expectations of the NZIST in legislation would guide the institution's policies and practices.

s 9(2)(f)(iv) OIA

21. An institution that operates in-line with ▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮ ▮▮▮▮▮▮▮▮ would be in a better position to improve outcomes for Pacific learners, their families, communities and the regions it serves. For example, it would be important for the institution to understand the diversity of all learners (including the diversity of Pacific learners), the wider populations and regions it serves and responding to the diversity of these needs to improve learning and employment outcomes for its learners.

22. We are proposing that the high-level parameters of the Charter would be included in primary legislation initially, and that the specific details of the Charter would be drafted via further engagement, including with Pacific stakeholders. This would then be incorporated into secondary legislation, or in time into primary legislation if that was considered desirable.

s 9(2)(f)(iv) OIA

23. Regular planning and reporting against the Charter would support the NZIST to plan and reflect on its priorities and practices in-line with ▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮ ▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮

NZIST governance and decision-making

24. There are opportunities to consider how Pacific representation could best be given effect to as part of the NZIST governance at the national level, and ensure that this flows throughout the organisation, including at the regional level, particularly where Pacific people are key populations, for example, Auckland and Wellington.

Skills-based or representative Council

25. The NZIST will be governed by a National Council, which the Minister of Education has indicated a preference to be a fully Ministerial-appointed Council. There is a key trade-off for governance between having a fully representative Council, or a Council appointed on the basis of governance skills and experience.

26. We have previously signalled to the Minister of Education that to enable effective and efficient decision-making, a Council appointed on the basis of a range of skills but not fully

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representative would be preferable. This is because previous experience has shown representative approaches, for example for university and wānanga, have resulted in large councils and this risks slow decision-making.

27. We have also heard that the "one-rep model" does not work well for Pacific people, given the diversity of the Pacific population, and being one voice on a council with decision-making by majority can also limit Pacific voice and influence even if there is a designated Pacific representative.

Other options to enable Pacific voices and perspectives in NZIST governance and decision-making

National Council

28. If a skills-based Council were to proceed some options exist to include Pacific voices and perspectives as part of decision-making at this level. One option is that when making appointments to the Council, the Minister should consider the diversity of NZ's population, including but not limited to diversity of ethnicities, genders, socio-economic status and abilities.

29. Alongside having this, there should also be an expectation that all Council members are culturally competent, including in relation to the diversity of Pacific learners and communities.

Further options that could be considered

30. Further options can be considered as part of the NZIST governance nationally and regionally at this time, and as part of ongoing co-design work. A key trade-off at this stage is between ensuring the legislative framework establishing the NZIST is sufficiently directive to ensure that Pacific perspectives are considered substantively and an ongoing basis, and the complexity of the possible governance arrangements for the NZIST.

31. Taking a more prescriptive approach to the NZIST establishment and governance, legislation could require the establishment of a committee of Pacific representatives that would provide advice to the National Council which it must take into account as part of their decision-making processes.

32. Requiring this in legislation, however, alongside other potential committees providing advice to the National Council, for example, for Māori, staff and students could result in at times conflicting advice and it could become unwieldly for the National Council to give effect to the different advice.

33. Alternatively, the legislative framework for the NZIST could be more enabling in relation to NZIST governance arrangements, and other incentives could be put in place to encourage the NZIST to establish across the organisation vehicles for Pacific people to be part of decision-making and governance at national and regional levels as appropriate. There could be an expectation that these would be developed in consultation with Pacific stakeholders. There would be more of a risk with an enabling legislative approach that Pacific people may not have as much voice and influence in NZIST decision-making and governance.

The NZIST business model/establishment group

34. It would be important to support the NZIST to meet expectations regarding strategic partnerships with Pacific organisations, and supporting Pacific learner success during the implementation phase.

35. Many providers have close working partnerships that result in good outcomes for the learners, families, and wider communities they serve. It would be vital that the NZIST is supported to continue these partnerships and to develop new ones.

36. Regional autonomy or decision-making power is seen as critical to encouraging strong regional ownership and ensuring underserved communities and learners are not lost through consolidation. There is a set of activities that pivot on local level relationships and the ability to strike agreements without being unduly encumbered by national level approvals that is key to responsiveness at regional and local levels. This would be a key when considering the balance of the benefits of consolidating resources and decision-making to improve the efficiency of the sector with those of regional autonomy.

37. As part of establishing or maintaining local decision making autonomy, the establishment entity of the NZIST could be instructed to integrate existing partnerships into the NZIST and to develop new ones where necessary. This would provide assurances for existing partners and support the NZIST to serve its Pacific learners and wider communities. If there is the facility for the Minister to use a ministerial letter of expectation in the transitional period, it could be used to convey this direction.

Regional Leadership Groups (RLGs) formation

38. RLGs provide an opportunity to ensure the NZIST and regional education provision reflect and support Pacific people's aspirations. The RLGs would also help to balance support for the needs of industry, learners and wider communities in regional vocational provision. We consider that detail on the formation of the RLGs could be developed with regions. In the consultation we heard that regions know best how to serve the range of needs in their regions, and these differ between regions.

39. Given different regions throughout New Zealand have different Pacific populations, it will vary in each region as to which Pacific stakeholders would need to be involved in an RLG and how they could be involved. For example, in some regions with high numbers of Pacific peoples, it could be appropriate to have Pacific representation on the RLG itself, as well as potentially a Pacific Advisory Group to advise the RLG. Whereas in regions with smaller Pacific populations a Pacific Advisory Group to the RLG could be appropriate.

40. It will be important that Pacific stakeholders are part of ongoing design work for RLGs, and that there is flexibility at the regional level as they are established to enable Pacific stakeholders to be part of these.

41. It will also be important that RLGs, and any advisory groups that may be established alongside these have flexibility to change over time depending on future needs. Given the Pacific population is relatively young, and some regions have increasing Pacific populations which have previously been small, it will be important for RLGs to be able to adapt as needed to reflect changing populations.

Proposal Three: Funding

42. Funding would influence behaviour of key actors (including ISBs and NZIST) in a new system and support them to give effect to priorities. This would be particularly important for supporting learner success, including Pacific learner success. We consider that this proposal will offer the greatest opportunity to ensure the unified funding system supports better outcomes for Pacific learners. More detail on the proposed funding model for the new system will be provided in forthcoming advice.

43. In the 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 Pacific representatives.

Further engagement on RoVE proposals

44. There is an opportunity to engage on approaches to the RoVE with Pacific stakeholders, including on the following:

    • ISBs formation and recognition

    • the design of skill standards, qualifications and programmes

    • a draft of the charter for the NZIST

    • the NZIST business model

    • RLGs formation and authority.

45. The TEC is considering the next phase of engagement. They are looking at hosting specific co-design workshops with Pacific strategy leads and technical experts in the vocational education, students and employers. They will bring the relevant people together to workshop an approach for a new vocational education system with a specific focus on Pacific learner success.

Next Steps

46. The Ministry will continue to work with TEC and NZQA, and seek to test approaches to the RoVE proposals outlined in this briefing with Pacific stakeholders.

47. We would incorporate feedback from this engagement to shape advice to Cabinet in June and further policy development.

Annex One: Key themes from RoVE consultation (and wider engagement)

1. The following are key themes we have heard from Pacific stakeholders on the RoVE consultation, based on analysis to date. This includes feedback from the four RoVE fono and an initial review of submissions. Full submissions analysis is still underway, and advice will be refined if following the full submissions analysis different views emerge.

What did Pacific people think about the RoVE proposals (including need for change)?

2. Pacific stakeholders at the fono agreed unanimously with three points:

   - the need for change to the current funding model to ensure there is adequate funding to effectively support Pacific learners

   - wanting 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 (e.g. Pastoral care).

3. Few stakeholders commented on the specifics of each proposal, choosing instead to spend the time discussing the inadequate consultation (i.e. period too short and lack of certain Pacific voices, including employers, ITO learners and Pacific communities).

What other issues did they raise at the fono?

4. Other issues raised by Pacific stakeholders at the fono included:

   - The need to move towards a 'whole of system' response that reflects a coherent approach rather than continuing with add-on initiatives or tweaks.

   - How do we reflect and incorporate what matters to Pacific people in the new vocational education system (i.e. the seven themes identified below)?

   - Pacific people don't want to be worse off in the new system than they currently are in relation to leadership and governance.

   - How can the new system support a student's socioeconomic realities (e.g. working and earning money to support the family appeals more than studying or training with no income and debt accruing)?

Overall what did we hear matters to Pacific people?

5. Seven key themes have emerged to date from what we heard matters to Pacific people. These themes outline that to best support Pacific people's success in vocational education, the system should:

   i   Ensure Pacific representation in key leadership and decision making roles.

   ii   Support and acknowledge Pacific people's diversity (and that this diversity is not static given changing demographics).

   iii Be culturally competent to ensure TEOs, staff, and employers are responsive to the needs of Pacific students, their families, and communities.

iv Recognise multiple entry points into vocational education and the difference in support that Pacific learners need (e.g. secondary-tertiary vs upskilling existing vocational education workforce), and within these different pathways a clear line of sight to outcomes for the learner, including progressing to higher level study and job progression.

v   Work with and include Pacific parents, families, and communities in vocational education.

vi Ensure there are dedicated Pacific staff positions at all levels of the vocational education system so the workforce reflects the student population it serves.

vii Implement a funding system that best supports Pacific success.

What other issues are relevant to Pacific stakeholders?

6. How vocational education is viewed by Pacific communities remains a challenge both in schooling and tertiary systems. There is a tension between academic and vocational learning pathways and careers which is more prominent for Pacific communities than many other population groups. In many cases there may be a lack of awareness of the range of VET careers possible and a stigma attached to VET pathways, including in schools, careers education and the wider community.

7. We heard last year as part of an ITP Roadmap 2020 fono that Pacific employers wanted a closer connection to the VET system so they could link more easily with young people to bring them into trades. These employers indicated they found the current system difficult to engage with and find Pacific people to be apprentices.

Emerging themes from the Reform of Vocational Education (RoVE) consultation process

Purpose

This document provides some high-level emerging themes from the RoVE submissions received up until 1 April 2019. Any submissions (or engagement event summaries) received past that date are not included in this analysis. It does not factor in any evidence received past that date.

This summary of submissions does not include some of the engagement events in the later part of the submission process. Sections 5 and 6 (see below – preliminary views of ITPs/ITOs) should be carefully considered, as it only includes a brief analysis of some of the formal ITO/ITP submissions.

More complete feedback will be provided during the week commencing 22 April 2019.

Summary of feedback

Overall there is a mixed level of support for the reform proposals and the need for change. Most people seem to recognise that there is a need for change in the system, and that the vocational education and training system is not working as well as it should be. A sizeable number of early submissions are against proposals 1 and 2. Many of these are from stakeholders in the lower South Island, and from specific industry sectors.

When briefly scanning these proposals, it appeared that a considerable amount of opposition was due to misinformation, or not understanding all of the detail of the proposals. For example, many submitters thought that the proposed changes would mean there would be no more work-based training, and that the NZIST would be in Wellington.

Detailed feedback

The following information looks at:
1. What people told us about the consultation process
2. Stakeholder feedback on Proposal 1
3. Stakeholder feedback on Proposal 2
4. Stakeholder feedback on Proposal 3
5. The preliminary views of ITPs
6. The preliminary views of ITOs
7. The preliminary views of PTEs
8. The preliminary views of wānanga
9. The preliminary views of staff and students
10. The preliminary views of Māori
11. The preliminary views of Pacific people.

The following views will be included in the more substantial submissions analysis report:
12. The views of people who require additional support for learning
13. The views of employers
14. The views of standard setting bodies and occupational regulators.

Section 1: What people told us about the consultation process

Many stakeholders raised issues with the nature of the consultation process. People were concerned that the consultation period was not long enough for the scope of change being proposed. Others did not feel there was enough detail for them to be able to engage with the proposals, or were concerned that the timing of the proposals could have a negative impact on the skills pipelines of those industries already facing labour shortages – particularly during any transition period.

We could see several common instances where the proposals were not properly understood by stakeholders. For example, people assumed the proposals would lead to all administrative and management functions of the NZIST being in Wellington, that the NZIST would mean there would be no regional campuses, or that workplace-based training was disappearing entirely.

In going forward, stakeholders noted that they wanted Government to continue engaging on the proposed reforms, including timeframes for change and how stakeholders will be involved.

Section 2: Stakeholder feedback on Proposal 1

This proposal has the most polarising views amongst stakeholders. Many ITOs and some employers who work with ITOs are opposed to the change to the 'arranging training' function, but providers and some industry groups consider this a key opportunity. Early indications are that:

- Many stakeholders, particularly ITOs and employers from specific industries, do not feel the case for change for Proposal 1 is as strong as it is for the other two proposals.
- Stakeholders are interested to know about how many Industry Skills Bodies (ISBs) there would be. Some feel that many industry-specific ISBs would be preferable, while others feel that having fewer ISBs would achieve greater impact and economies of scale.
- Those who support Proposal 1 state that their industry is not well-served by their ITO, their industry voice is lost within their ITO, their industry does not have an ITO, or they see role changes as leading to a system that has clearer roles and responsibilities (leading to improved educational outcomes).
- Those who oppose Proposal 1 tend to feel that role change isn't needed as their ITO meets all of their training needs, they are not confident that a provider (or providers) would be as effective as an ITO, or they are concerned that there would be a significant amount of institutional knowledge and relationships lost as a result of any transition from ITOs to ISBs/providers.

Section 3: Stakeholder feedback on Proposal 2

There is an emerging view, through the consultation, that most ITPs and their regional stakeholders are interested to work with the government on the establishment of a New Zealand Institute of Skills and Technology (NZIST), and to think through the appropriate level of consolidation. Preliminary analysis of stakeholder suggests:

- Most stakeholders/people see that there is a clear problem with the ITP sector, and that sector has been underperforming.
- There is a strong interest from stakeholders in having a strong regional voice within both the NZIST and Regional Leadership Groups. Stakeholders were

particularly interested in who would be appointed to the NZIST, and less interested in how they would be appointed. Stakeholders also talked about how having a single governance council for the NZIST would present an opportunity to have the sector being 'led by the best'.

- Proposal 2 is the one that Iwi and Māori appear to have engaged with the most. Our engagement with Māori stakeholders found that they want to have a strong voice on the NZIST and Regional Leadership Groups (including equal partnership). Māori stakeholders also noted the complexities of determining who and how to engage with Māori, at both a national and regional level.
- Those who oppose Proposal 2 argue that their ITP is performing well – so don't see the for change (particularly in Southland and Otago), support an alternate mode for change for the ITP sector, are worried about the potential for creating a monopoly, or are concerned about the impacts on other forms of provision (degrees, adult and community education, foundation learning, and secondary-tertiary programmes).
- People appear to not like the proposed name of the NZIST. Several stakeholders noted that they would have liked a Te Reo name, that the name was too long (which would have an impact on branding activities), and that there was already an NZIST in New Zealand (the New Zealand Institute of Science and Technology).

Section 4: Stakeholder feedback on Proposal 3

On the whole, people appear to support a unified funding system. However, this proposal received the least amount of engagement with stakeholders. Several stakeholders thought that this proposal would mean that all tertiary education organisations would receive more funding.

Some organisations noted that potential changes would need to reflect:
- The range of different training available (for example, formal training pathways to just-in-time learning)
- The vocational training needs of those disrupted by technological changes
- The different costs of training for specific industries.
- The ability for regional provision to respond swiftly in changes in demand.
- The learning needs of individuals (for example, having higher funding rates for those learners who require additional learning support).

Others proposed the need for multi-year funding, to reflect seasonal fluctuations in learner demand.

Section 5: The preliminary views of ITPs (includes brief analysis of some ITP submissions)

Most ITPs appear to support the proposals on the whole. However, several ITPs argue that they are more successful than others – and note that some consideration should be given for them. In particular, SIT is the most opposed the proposal, and Otago Polytechnic and NMIT are also concerned with the scope of changes suggested.

Of most interest to polytechnics is the ability to retain some regional autonomy over their current institute. Several alternative proposals have been put forward. These mostly focus on:
- Regional Arms of the ITP should be fully autonomous, have their own branding, and be led by a regional management teams responsible for academic and financial management of the regional arm.

- o Some ITPs proposed that there be a parent-subsidiary model, with regional arms being Crown entities in their own right.
- o Other proposals did not go into this detail, and thought that the regional arms could have NZIST branding.
- Regional arms should have regional investment plans.
- The NZIST centre should have a sector oversight role, and have responsibility for the ITP sector as a whole. However, ITPs appear to have different views about what functions could be centralised:
  - o Most agreed that student administration services and quality assurance could sit at the centre.
  - o There was some disagreement as to whether finance and asset management, and programme and resource development, should sit at the centre.
  - o Some ITPs implied that the NZIST (including regional arms) could be responsible for overseeing all vocational education provision (including that of wānanga and PTEs).

Some ITPs were concerned that the proposed merger of ITPs would result in them losing control over their current assets and asset reserves. Those with significant asset bases (and cash reserves) are most interested in this being ring-fenced for their region. Some ITPs noted that we would need to consider what this would mean for assets held in trust, and those assets that were gifted to a regional entity.

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.

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. However, like ITOs, some ITPs appear to assume that they would be the lead provider of training (and not a PTE or wānanga).

Several ITPs do not agree that the Open Polytechnic should be the model for online provision. They argue that a shared online ITP platform for learning already exists, through the TANZ eCampus. TANZ is an online learning platform used by 7 ITPs.

ITPs tend to support the proposal for Centres of Vocational Excellence (CoVEs).

Section 6: The preliminary views of ITOs (includes brief analysis of some ITO formal submissions)

In early analysis, most ITOs agree with the issues being raised through the Reform of Vocational Education. For example, many ITO submissions noted that the funding system requires 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.

Most ITOs support parts of proposal 1. In particular, they:
- Strongly support reinstating a Skills Leadership role
- Strongly support having a standard setting role

- Strongly oppose having their 'arranging training' function shifting to providers. One ITO noted that in principle, they support most of the proposed changes, but this part of the proposal was a 'deal-breaker' for them.

Most ITOs appear to understand the need to support proposal 2, though not all think the scale of changes is needed – for example, one ITO noted that while efficiency gains would occur, culture change would not. Another seemed to think that a single NZIST could, in the long run, create a more bureaucratic and inefficient system. That ITO argued that multiple polytechnics is better, as this creates competition, which leads to better and more responsive services for employers.

All ITOs appear to support proposal 3.

Many ITOs recognise that there is a strong need to improve employer engagement in the industry training system. However, they express concern that the proposed reforms are a step too far, argue that they will lead to significantly decreased employer engagement. ITOs tend to propose that greater employer engagement be driven by:
- Improved incentives for employers to take on apprentices and trainees, for example, by broadening the student loan scheme and mana in mahi (previously called dole for apprenticeships).
- Implying that an industry or employer levy could be beneficial.

Most ITOs are worried that the proposed changes will lead to decreased industry voice in the training system. They argue that having strong industry representation on the NZIST council and regional leadership groups will mitigate this risk.

Many ITOs raised the following concerns about the consultation process:
- Lack of initial engagement with the vocational education and training system review
- Short 7 week consultation period
- Lack of alternative options being presented
- Limited detail on some of the proposed changes.

Some ITOs noted that the current proposed model of training was too supply-focused, which would lead to a system that does not serve industry needs, in particular the needs of smaller and more niche industries.

Some ITOs proposed that an alternative arrangement should be more focused on meeting industry needs (e.g. demand-focused) and/or be pan-sector (e.g. vertical rather than horizontal integration). In their mind, this would reduce the current number of ITOS/ISBs, but result in a system where industries would only need to engage with one ISB.

Alternate approach to changes – focusing on immediate ITP needs first, and then examining opportunities for improving role clarity and provision of training.

Issues around transitions for schools, industry engagement, training for Māori and Pacific people, loss of regional delivery, will not result in improved industry engagement in training, negative impact of uncertainty driving away industries and apprentices at a time where there are critical skills shortages. Most ITOs highlighted employer disengagement in training as the key risk of the proposed changes.
In general, ITOs tend to support the creation of CoVEs. However, ITOs wanted further information on these, including what their relationship would be with other system stakeholders (including standard setting), and whether ISBs could establish CoVEs.

ITOs tended to support the need for clearer roles and responsibilities for stakeholders in the system. However, they argue that the proposed reforms, in their current state, do not achieve this. For example, they note the potential for conflicting roles between ISBs, Regional Leadership Groups, and the NZIST. They also noted the potential this had for creating tension between national and regional industry stakeholders – and that this would need to be carefully managed. Some ITOs also noted that the proposed Regional Leadership Groups need to intersect with the proposed immigration changes, to remove the potential for duplicating or confusing regional roles and responsibilities.

Section 7: The preliminary views of PTEs (note – does not look at formal submission)

Most PTEs tentatively support the change proposals, recognising the opportunities presented by the possibility to offer in-work training.

PTEs that tend to be opposed to the proposed reforms tend to talk about having positive and constructive relationships with an industry training organisation.

PTEs are concerned about the possibility for the NZIST to gain a monopoly, and to become the default vocational education provider. PTEs are worried about what this means for their sector, as they often fill or meet niche industries and student groups.

PTEs are supportive of the proposals for CoVEs and Regional Leadership Groups. However, they are worried that these will be captured by the NZIST.
- They feel that any CoVE should be independent, or have the potential to be housed within industry associations (for example, federated farmers).
- They feel that any regional leadership group should include at least one PTE member.

PTEs are concerned about the duplication of functions between NZQA and ISBs. They are argue that proposal 1 could increase their compliance and transaction costs, lengthen the time to approve qualifications/courses, and create the potential for contrasting advice to be produced.

Section 8: the preliminary views of wānanga (note – does not look at any formal submissions)

Wānanga tentatively support the change proposals, recognising the opportunities presented by the possibility to offer in-work training.

Wānanga want greater clarity about what change process means for them, including greater understanding about the impact of the proposals on the sector. They feel that the level of engagement government has had with wānanga has not been sufficient. They also feel that there is a lack of a 'straw-man' in terms of what the impacts of RoVE will be on wānanga. They have 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.

Wānanga argue that the framing of problem and solution doesn't accurately capture what the wānanga sector is about – in terms of cultural outcomes, values-based education. They also question how a redesigned funding system could take into account tikanga Māori. They reiterate the need for a funding system to take into account the different needs of learners.

Wānanga would like to be a part of the regional leadership group.

Like PTEs, wānanga are concerned about the possibility for the NZIST to gain a monopoly, and to become the default vocational education provider. They also share similar concerns about programme approval/moderation through NZQA.

Section 9: the preliminary views of staff and students (note – does not look at formal submission).

More often than not, staff and students see the proposals as an opportunity to improve learner outcomes, and so support the proposals.

Some students and staff (in particular, NZUSA and TEU) are concerned about the role and visibility of staff and student voice in the new institution. This includes both the national and regional level. Their proposed way of mitigating this risk is by including staff and student voice on national, and any regional, councils.

The views of trainees tend to be more mixed. Trainees in specific industries tend to note they are worried that the NZIST would not provide them with the same level of support as their current ITOs. Other trainees note that the RoVE consultation period has been the most engagement they have ever had from their ITO – so support the proposed changes.

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

Several staff members noted that they were concerned that the proposals (particularly the NZIST) would lead to decreased academic freedom and autonomy of educators.

Both staff and students have noted that there are yet to be quantified impacts that they would like to know more about, including:
- Whether the cost of training would increase
- How any disruption to active study (including student records, student IDs) would be managed
- If staff jobs would be lost, or changed (including location), as a result of any mergers.

Section 10: the preliminary views of Māori (note – includes what stakeholders said the impact would be on Māori. This section also does not break down what specific Māori stakeholders said, for example, by Iwi)

In general, Māori support the need for change. However, at several Hui Māori noted issues with how they have been engaged to date:
- They felt like they've been consulted, and not engaged. Māori 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.
- They have not felt like consultation to date has been in a partnership sense (e.g. no early engagement, short timeframes) – though understand the tight timeframes and need for change.

- Going forward, Māori improved engagement from want to be more closely engaged with. If this does not occur, some Māori have noted that this would become an issue.

Early analysis of the submissions and Hui indicates that Māori are interested in:
- Gaining decision-making responsibilities at national and regional levels (and not just a single representative).
- Understanding how RoVE will facilitate improved engagement with, and support, hard-to-reach groups such as NEETs, and those in small rural communities.
- Ensuring that RoVE continues to have a learner centric focus – as well as focusing on the needs of employers and tertiary education organisations. Māori are particularly interested in how the NZIST would provide pastoral care for Māori learners.
- Ensuring that older Māori learners are supported by the new system, including through any transition period.

Some Māori are worried that some of the proposed structures would not work well with a Māori world view. In particular, they often raise regional representation as a potential case study – for example, would these involve engagement with mana whenua, local tribes or hapu, and Maori Urban authorities?

Some Māori asked us questions about how wānanga would work in the future system, for example, in terms of what the arranging training function would mean for them, and how they would interact with some of the new system players.
- They raised a separate question around whether there needed to be a national network of wānanga – which could involve creating more wānanga – to fill in the gaps of provision where there are currently none.

Some Māori stakeholders are interested in understanding how any funding system changes would support Māori learners who require additional support to enter and complete a vocational qualification.

Section 11: the preliminary views of Pacific peoples (note – includes what stakeholders said the impact would be on Pacific peoples)

Several key themes emerged from what we heard matters to Pacific people. Many of these reiterate what Māori told us, in terms of being treated as equals, and having improved decision-making and representation at regional and national levels.

Other themes that emerged from our engagement with Pacific people includes:

- Support and acknowledge Pacific people's diversity (and that diversity is not static).
- We need to work with and include Pacific parents, families, and communities in vocational education. This includes recognising the socioeconomic realities of students (for example, working and earning money to support the family appeals more than studying or training with no income and debt accruing)?
- Be culturally competent to ensure TEOs, staff, and employers are responsive to the needs of Pacific students, their families, and communities.
- Recognise multiple entry points into vocational education and the difference in support that Pacific learners need (e.g. secondary-tertiary vs upskilling existing vocational education workforce).
- Ensure there are dedicated Pacific staff positions at all levels of the vocational education system.

- Implement a funding system that best supports Pacific success.

Pacific stakeholders agreed unanimously with three points:

- The need for change to the funding model
- Wanting 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 (e.g. Pastoral care).

Although not raised directly by fono participants (given the prominent sector representatives), how vocational education is viewed by Pacific communities remains a challenge. The tension between academic versus vocational pathways is more prominent for Pacific communities than any other population group.

Reform of Vocational Education Consultation Process – Status Update
Period 25 Feb – 1 Mar 2019

Executive Summary

The RoVE project team kicked off consultation events with 5 events held this week; at Northec, SIT, HCITO, MITO (ITOs), and a Pacific Fono at South Auckland MIT. In addition to these larger events, representatives from the project and from MOE continue to attend meetings and presentations with smaller organisations, industry groups, etc.

As feedback is gathered from events and meetings, a steady stream of submissions is also coming through via the other feedback channels, i.e. email, phone and survey questionnaire. This Thursday, we hit a milestone with the deployment of Kī-word – a custom-build tool which allows the project team to easily record and apply policy tags to feedback submissions, and which allows the policy team to generate reports for specific tags and combinations of tags. Members of the project team are currently back-loading feedback received to date into Kī-word.

Key Consultation Volumes

Channel	Volumes	
	This week	To date (incl. this week)
Events completed	5	5
Emails received	47 submissions 5 questions	124 submissions 35 questions
Phone calls received	7	28
Surveys completed	36	79

High-Level Themes from Feedback Submissions *

- In general, submitters:
  - agree that the vocational education sector is in need of a significant reform.
  - think changes should focus on fixing what is wrong with ITPs.
  - believe that including ITOs in this current reforms is a step too far ("Don't change what's working to fix what's not working").
  - don't think ITPs are well positioned to take on the role of ITOs, due to ITPs' lacking knowledge and relationships with industry.
- People are concerned that the consultation period is (too) short, and the implementation date of 1 Jan 2020 is (too) ambitious.
- We received strong opposition to changes to SIT and Otago Polytechnic (to a lesser extent).

Notable Quotes from Feedback Submissions **

- *"I think a large source of my apprehension surrounding the proposal is the lack of information regarding approach, implementation, and the transition period, and believe a more detailed proposal is necessary."* – from a person working as Learner Support at a College

- *"By all means, fix the polytechnic sector and address funding imbalances - I agree with that. However, consult further with ITOs on how ITOs can collaborate more with the new institution - once it's up and running successfully."* – from a member of the general public

- *"In my opinion I believe it would be of great service to the industry to [...] identify businesses that aren't fulfilling training agreements and are using trainees as a form of cheap labour. These businesses are illegitimate and should be scrutinised and forced to change."* – from a small business owner

- *"[...] it is essential that WINTEC's support for high tech spinouts [...] is maintained and in fact deeply encouraged."* – from the Chair of a start-up

* Themes are taken from email submissions – In future reports, a wider range of submission types will be taken into account
** Note: Quotes are taken from individual submissions and are not necessarily reflective of the submissions received to date

Reform of Vocational Education
Consultation Process – Status Update
Period 4 Mar – 8 Mar 2019

Kōrero
Mātauranga
Me kōrero tātou

Executive Summary

This week there were seven consultation events that took place at Otago Polytechnic, Whitireia, Weltec, Ara, Open Polytech, a wānanga in Wellington, and a hui in Northland. Several other engagement meetings also took place with other stakeholders and industry across the country.

Next week, there are 12 planned consultation events scheduled at Wintec, EIT, NMIT, Tai Poutini, ServiceIQ, the Skills Organisation, HITO. This includes four hui (Waikato iwi, Tainui iwi, at EIT and at Whitireia) and a fono in the Waikato.

Notes from these events and meetings, together with email submissions are now recorded in the tool Ki-word. Since the deployment of the tool last week, the Tagging & Analysis team have tagged all feedback received from the first 2.5 weeks and are now preparing for the large number of submissions that is expected in the last week(s) of the consultation period.

Key Consultation Volumes

Channel	Volume	
	This week	To date (incl. this week)
Events completed	7 consultation events * 4 community events	15 consultation events * 6 community events
Emails received	45 submissions 8 questions	169 submissions 43 questions
Phone calls received	5	33
Surveys completed	38	117

High-Level Feedback Themes

- This week - in comparison with last week - we noted a larger amount of submissions that expressed a negative sentiment. From email submissions to date, we assessed that approx. 45% took a negative stance towards (some of) the proposed changes, 15% was positive, 18% mixed and 23% neutral.
- A theme that came through strongly this week is the fear that ITPs will lose their local autonomy, and a desire of these same ITPs to retain their regional culture and branding.
- Small businesses say that - without the support of their ITO - they might be put off taking on new apprentices, as they fear pastoral care will drop off.
- On the positive side, submitters still recognise that change needs to happen and that there are opportunities to fix a broken system. They also accept that the creation of the NZIST would allow for consistency of training across the ITPs and could improve the quality of trainings provided.

Notable Quotes from Feedback Submissions *

- *"The name […] does not typify quality tertiary education. It places emphasis on lower level industry skills rather than higher education. There should be a Te Reo name or at least a Te Reo version of the institute name"*– from a member of the public

- *"The views of our people need to be heard, and time is needed in order to form those views. We feel that six weeks doesn't allow time to engage, debate and fully understand the issues. Given the extent, complexity and potential impact of these changes, the decision to consult over just six weeks is disappointing."* – from the Chair of a large ITO

- *"I like the thought of there being one governing Council, one Academic Board, one Chief Executive and one Senior Leadership Team overseeing the provision of vocational education in New Zealand"* – from a member of the public

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* Consultation Events include ITP and ITO events, and events / korero with iwi, wānanga and pacific peoples.
** Note: Quotes are taken from individual submissions and are not necessarily reflective of the submissions received to date.

Reform of Vocational Education
Consultation Process – Status Update
Period 11 Mar – 15 Mar 2019

Kōrero
Mātauranga
Me kōrero tātou

Events

Completed to date	Scheduled during next 5 days					Scheduled after next 5 days (22/03 – 27/03)
	TODAY	Mon 18/03	Tue 19/03	Wed 20/03	Thu 21/03	
11 ITP events 6 ITO events 8 Hui / Wananga 2 Fono 9 Community events	- HITO - Hui @ EIT	- Connexis - Fono @ Whitireia	- MIT * - WITT - Primary ITO - Toi Ohomai * - Hui @ Ara	- Unitec * - Competenz - Hui @ Tauranga - Hui @ Rotorua	- UCOL * - NZ MAC ITO - Hui @ WITT	2 ITO events 2 Hui / Wananga 1 Fono 2 Community events

* Including a community event

Note:
- Other engagements, meetings and events in support of consultation taking place during the consultation period, over the next five days this includes: event with Group Training Alliance and speaking at the MITO summit.
- ITP CEs and Academic Directors also met with RoVE officials on Thursday 14 March.
- The events calendar changes regularly, as events are being added, removed, changed.

Email Submissions

Volumes to date:	**204**
Week 1 (13/02 – 20/02)	55
Week 2 (21/02 – 27/02)	42
Week 3 (28/02 – 06/03)	45
Week 4 (07/03 – 13/03)	51
Week 5 (14/03 – 20/03)	11
Week 6 (21/03 – 27/03)	-

Pie chart: 24%, 36%, 28%, 9%, 1%, 1%, 1%, 0%, 1%
- Work in education sector
- Employer / industry
- Member of public
- Student, apprentice, trainee
- Other
- Parent to a student/s
- Caregiver
- Work for education union

Overall sentiment towards proposed changes

16%	18%	49%	16%

■ Positive ■ Neutral ■ Negative ■ Mixed
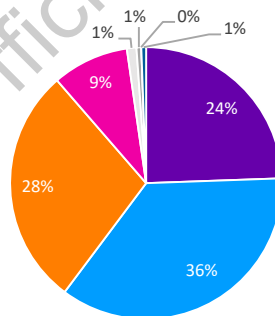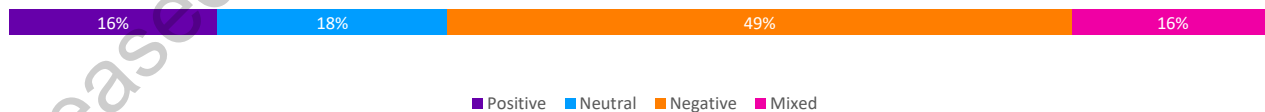
Survey Submissions

Volumes to date:	**160**
Week 1 (13/02 – 20/02)	9
Week 2 (21/02 – 27/02)	60
Week 3 (28/02 – 06/03)	40
Week 4 (07/03 – 13/03)	42
Week 5 (14/03 – 20/03)	9
Week 6 (21/03 – 27/03)	-

Pie chart: 37%, 21%, 12%, 12%, 8%, 7%, 3%, 0%
- Work in education sector
- Employer / industry
- Member of public
- Student, apprentice, trainee
- Other
- Parent to a student/s
- Caregiver
- Work for education union
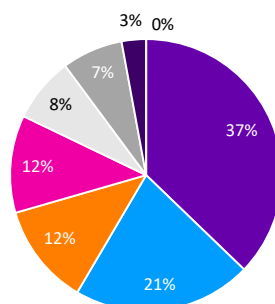
High-Level Feedback Themes

- A theme that has come through gradually since the start of consultation is that people – usually working in the education sector – note that a significant cultural change will be required to make the RoVE proposal work. Submitters highlight that 'a fresh start' is needed and that you can't expect to overhaul a system with the same people, same leaders, and same approach.

- Since the consultation event at HITO last week, we noticed a large number of submissions (some templated) from hairdressers and beauticians. These submissions largely speak out against the proposed changes.

- Building on last week's theme of small businesses saying that – without support of their ITO – they might be put off taking on new apprentices, we received a number of submissions this week from businesses that seem under the impression that apprenticeships and on-the-job training will be disappearing entirely under the new proposal.

- In a number of submissions from PTEs and smaller ITOs we noted support for the RoVE proposal, as they feel that their voice is currently drowned out by larger organisations and ITOs.

- Another theme that we have noted over the last few weeks, is the concern that the engagement and co-design process has started too late. Submitters believe that organisations and communities should have been involved from the start, during the creation of the three proposals.

Notable Quotes from Feedback Submissions

- *"Please try to send a message to Business Support teams that there will be a period where their jobs wont change. I understand that some things will change but until there is consultation about which ITPs have the best practice and you have decide what efficiencies can be made, surely it is business as usual for quite sometime."*
  – from an ITP employee

- *"[…] supports the rationalisation of polytechnics, as far as this enables more consistent training outcomes and improved qualifications that are fit for purpose in catering for current and future business needs. […] view is that it would be better to absorb lesser-performing institutes into those that are performing and delivering the desired outcomes."*
  – group submission from an industry association

- *"It will be important to have a range of local stakeholders represented in the regional groups including those involved in local vocational education development and delivery, representatives of Māori and Pasifika communities including mana whenua, local employers and businesses, and Councils."*
  – from the CE of a local city council

- *"Prior to the merger of ITOs in 2013 the Flooring Industry had its own ITO which served the sector well. The merger into a large ITO resulted in the Flooring Industry losing its direct relationship between the industry and the organisation responsible for setting and managing its training."*
  – a joint submission from a PTE and a trading organisation

- *"I don't oppose the "death-star" (central model), but we want mana whakahaere [control/authority] over our EFTS."*
  – from an attendee at the Northland Hui

- *"The risk is that they [ITOs] will take "old thinking" with them. There is also likely to be a real capability gap, and it should not be assumed the same people will be needed."*
  – from an individual working in the education sector

Reform of Vocational Education
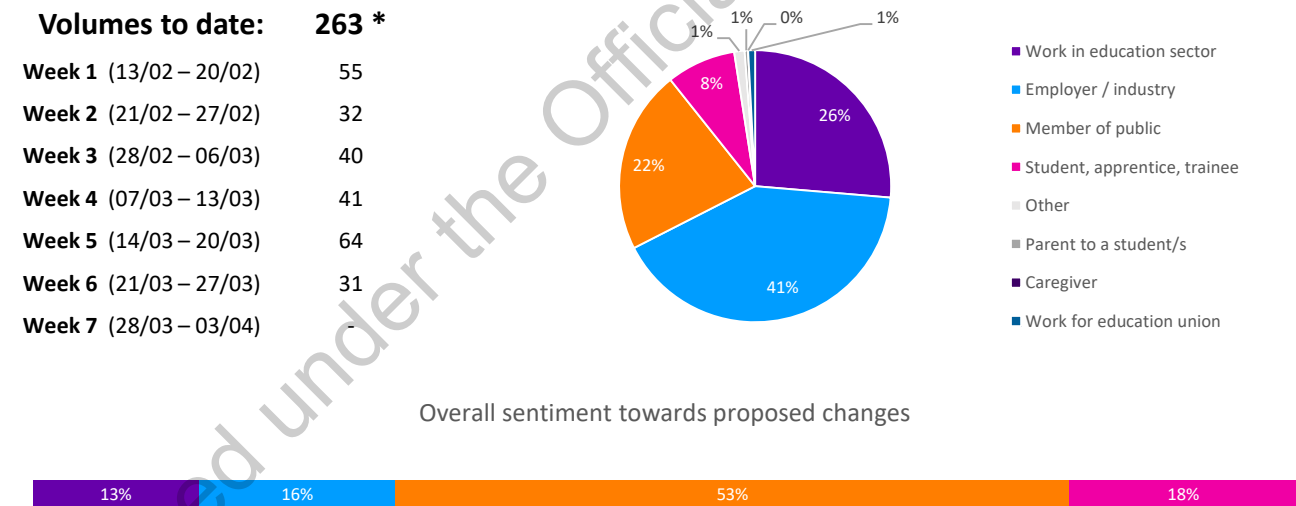# Consultation Process – Status Update
Period 18 Mar – 22 Mar 2019

Events

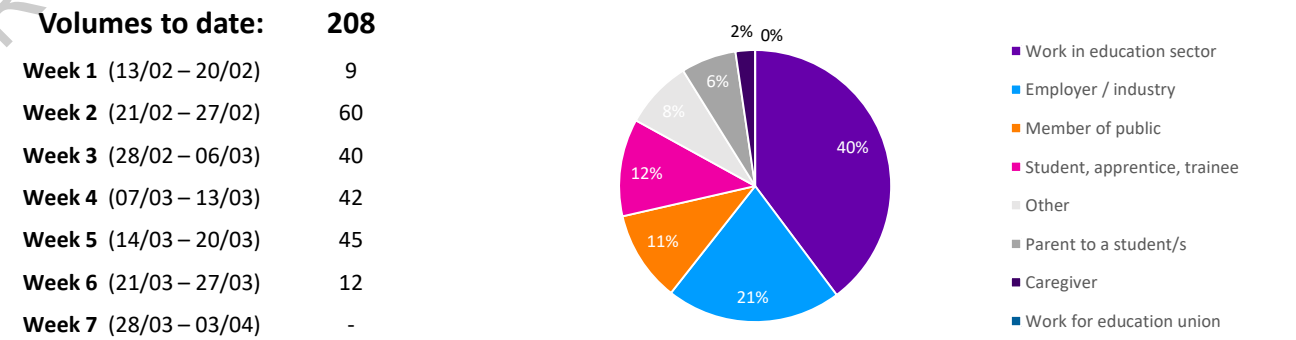| Completed to date (incl. today)	Scheduled during next 5 days					Scheduled after next week (or TBC)
	Mon 25/03	Tue 26/03	Wed 27/03	Thu 28/03	Fri 29/03	
16 ITP events 12 ITO events 17 Hui / Wānanga 4 Fono 14 Community events	- Hui @ Blenheim (NMIT)* - HITO - Industry Forum (AKL)	- Careerforce - Industry Forum (WLG) - SSB Forum (WLG) - Māori Education Peak Bodies				- Hui @ Ara (TBC) - NZ Arboricultural

* Including a community event

Note:
- Other engagements, meetings and events in support of consultation taking place during the consultation period
- The events calendar changes regularly, as events are being added, removed, changed.

Email Submissions

Volumes to date: **263 ***

Week 1 (13/02 – 20/02)   55
Week 2 (21/02 – 27/02)   32
Week 3 (28/02 – 06/03)   40
Week 4 (07/03 – 13/03)   41
Week 5 (14/03 – 20/03)   64
Week 6 (21/03 – 27/03)   31
Week 7 (28/03 – 03/04)   -

Pie chart:
- 26% Work in education sector
- 41% Employer / industry
- 22% Member of public
- 8% Student, apprentice, trainee
- 1% Other
- 1% Parent to a student/s
- 0% Caregiver
- 1% Work for education union

Overall sentiment towards proposed changes

13%	16%	53%	18%

* Template submissions are not taken into account

■ Positive ■ Neutral ■ Negative ■ Mixed

Survey Submissions

Volumes to date: **208**

Week 1 (13/02 – 20/02)   9
Week 2 (21/02 – 27/02)   60
Week 3 (28/02 – 06/03)   40
Week 4 (07/03 – 13/03)   42
Week 5 (14/03 – 20/03)   45
Week 6 (21/03 – 27/03)   12
Week 7 (28/03 – 03/04)   -

Pie chart:
- 40% Work in education sector
- 21% Employer / industry
- 11% Member of public
- 12% Student, apprentice, trainee
- 8% Other
- 6% Parent to a student/s
- 2% Caregiver
- 0% Work for education union

High-Level Feedback Themes

- Two themes that have come through gradually since the start of consultation is that submitters:
  - Wonder how this proposal will balance regional needs with centralised oversight. Submitters are interested in how the interaction and the balance between Regional Leadership Groups, Industry Skills Bodies, Centres of Vocational Excellence will work out, but few provide suggestions around future state.
  - Recommend that change is staggered. They suggest that we "sort out ITPs first" and only then look into the roles of the ITOs.

- Submissions received from industry and from employers express a concern that practical on-the-job training will be replaced by more theoretical classroom training under Proposal 1. As a result, they believe that graduates may not be ready for the job and will need re-training, leading to skills shortages and disruptions in the vocational pipeline.

- In a number of submissions received this week, submitters express their concern around (unintended) flow-on effects of the proposed changes, e.g. on universities, degrees, Wānanga, etc.

- We continue to receive a large number of submissions from HITO members, expressing their support for their ITO and speaking out against the proposed changes.

- Increasingly more organisations are encouraging their members to send template responses to the RoVE inbox and / or directly to the Minister's office. All template submissions received to date express a negative opinion towards the proposed changes.

- As we move into the final week/s of the consultation process, we notice more substantial submissions coming through. Compared to some of the shorter submissions, these larger submissions express more positive / mixed views, and provide constructive feedback towards the proposed changes.

Notable Quotes from Feedback Submissions

- *"Say approx. 90% of [our] stakeholders will be in support of the changes. I have met with most of our stakeholders since the 13 February [including] industry, local government, etc. [which adds up to] approx. 400 stakeholders since then. I think that 15/16 ITPs support the proposals."*
  – from the CE from an ITP

- *"We support the establishment of a skills-based regional leadership group that serves multiple roles across immigration, education and labour markets. We would expect that the region would be involved in establishing such a group, and that existing regional frameworks would be utilised if appropriate. We recommend the regional leadership group has the autonomy to not only make recommendations to the NZIST, but to also make local investment decisions based on an approved regional investment plan."*
  – from an industry professional

- *"A computer screen is a poor substitute for a 4 ton digger with a problem."*
  – from an industry professional

- *"[About Regional Leadership Groups] There is a great opportunity here if it's done right. If you allow every ITP to come back and say 'we're so different' and then allot them too much autonomy, all you'll be doing is adding a level of bureaucracy from the centralised system on top of what was already there."*
  – from a council member at an ITP

- *"On-job training often requires one-on-one conversation peculiar to the circumstance and situation and this will not happen in a class environment on any campus where production or manufacturing equipment is not on hand. Training must be agile and equipped to manage fast-changing situations, in rural or isolated localities on-job trainers and assessors need to be available on-site in a timely way and be resourced to adequately and equitably provide for trainees."*
  – from an apprentice assessor

Released under the Official Information Act 1982

Reform of Vocational Education
Consultation Process – Status Update
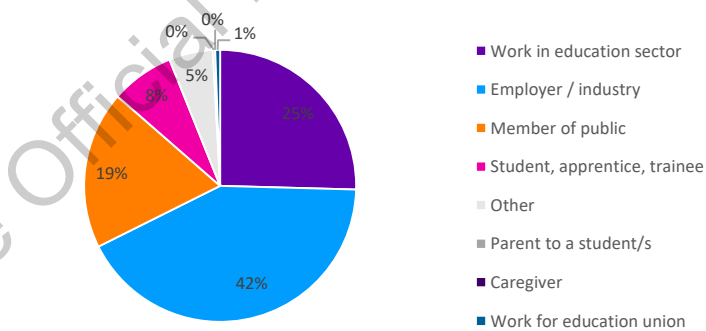## Period 25 Mar – 29 Mar 2019

Events

Completed to date (incl. today)	Scheduled during next 5 days					Scheduled after next week (or TBC)
	Mon 01/04	**Tue 02/04**	**Wed 03/04**	**Thu 04/04**	**Fri 05/04**	
- 16 ITP events - 10 ITO events - 14 Hui / Wānanga - 4 Fono - 16 Community events			- Māori Business - BCITO	- Hui @ Ara - Mayoral Forum - Assure Quality - Chambers of Commerce @ Timaru		

Note:
- Other engagements, meetings and events in support of consultation taking place during the consultation period
- The events calendar changes regularly, as events are being added, removed, changed.

Email Submissions

Volumes to date: **377 ***

Week 1 (13/02 – 20/02)	55
Week 2 (21/02 – 27/02)	32
Week 3 (28/02 – 06/03)	40
Week 4 (07/03 – 13/03)	41
Week 5 (14/03 – 20/03)	64
Week 6 (21/03 – 27/03)	124
Week 7 (28/03 – 05/04)	21

* Template submissions are not reflected in this number

Pie chart legend:
- Work in education sector
- Employer / industry
- Member of public
- Student, apprentice, trainee
- Other
- Parent to a student/s
- Caregiver
- Work for education union

(0%, 0%, 1%, 25%, 42%, 19%, 8%, 5%)

Survey Submissions

Volumes to date: **253**

Week 1 (13/02 – 20/02)	9
Week 2 (21/02 – 27/02)	60
Week 3 (28/02 – 06/03)	40
Week 4 (07/03 – 13/03)	42
Week 5 (14/03 – 20/03)	45
Week 6 (21/03 – 27/03)	48
Week 7 (28/03 – 05/04)	9

Pie chart legend:
- Work in education sector
- Employer / industry
- Member of public
- Student, apprentice, trainee
- Other
- Parent to a student/s
- Caregiver
- Work for education union

(2%, 0%, 42%, 20%, 10%, 12%, 8%, 6%)
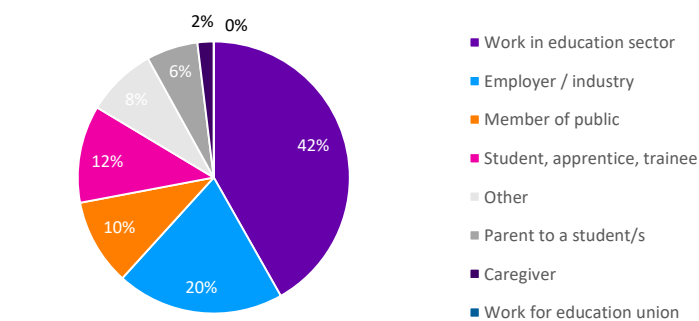
High-Level Feedback Themes

- A feedback theme that has been present since the start of the consultation is scepticism about the ability of ITPs (and especially a large organisation like the NZIST) to build and maintain relationships with industry.

- Submitters are highlighting the need for a careful and well-designed transition period, and are asking more and more questions about "What's next?":
  - What happens at the end of the consultation period?
  - How can people keep engaging with RoVE once the formal consultation period has closed?
  - What does the transition period look like? How long is this transition period?
  - When will 'normal people' (e.g. staff, students, small businesses, etc.) start feeling the change?

- From feedback, we get questions about how students will be represented in the new system, and how the new system will ensure that the student voice is not drowned out.

- One of the biggest concerns, especially from industry and employers, remains the potential impact that these changes could have on the vocational pipeline. Employers say that they are currently already struggling with skill shortages in many areas and that this reform could make this worse.

- A number of submissions have highlighted the need to use deliberate language when communicating about the reform within New Zealand and internationally. They highlight students may be discouraged from signing up to VE if they hear that "the system is broken" and "the only thing that will help is radical change" or "a big merger".

Notable Quotes from Feedback Submissions

- *"[We are] concerned there is a secondary school component missing in the proposal. Secondary school is where young people begin their journey into vocational education and training, and consideration for how this fits into the new model is essential. [...] secondary school transition and provision of programmes and courses need to be better coordinated and streamlined to avoid duplication, confusion, and missed opportunities. We also feel that students should be able to stay at school during some of their vocational education so they are exposed to associated benefits [...] such as student relationships and peer networks, and leadership opportunities on offer [...]."*
  – from the director of a youth organisation

- *"We only have three wānanga in the country? Is three enough? We need to look beyond the three if we want to see improvement in Māori education. There are now wānanga in Auckland, the South, or North, although existing wānanga are operating in those areas."*
  – from a participant at a hui

- *"This is not about incremental improvement and it is not about changing everything. It is about finding, keeping and sharing good stuff which will be happening because that is what great teachers do."*
  – from the founders of a social enterprise organization

- *"Done well, these reforms could give us the opportunity to do more. Done poorly, they could undermine decades of purposively built expertise and practice."*
  – from a council member at an ITP

- *"The risk of significant disruption during a transition of the Home and Community Support Services sector at a time when we are contractually obligated to increase training availability to employees."*
  – from the CE of an industry association

- *"At present we're in the awful position of having pressing needs, powerful resources, great ideas and good people unable to make their best possible contributions because they are scattered across an unsuccessful system composed of competing entities."*
  – from an education sector consultant

Reform of Vocational Education
Consultation Process – Status Update
Period 1 Apr – 5 Apr 2019

Events

Events Completed during total consultation period:
- 16 ITP events
- 10 ITO events
- 16 Community events
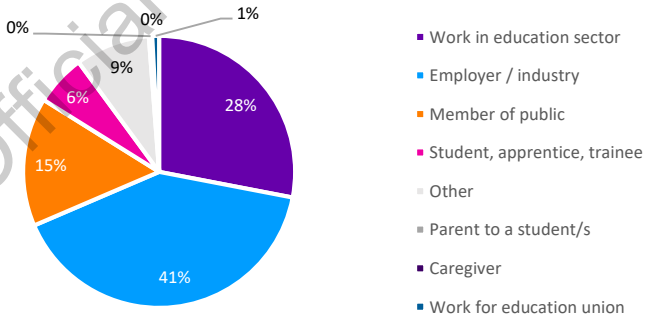- 15 Hui / Wānanga
- 4 Fono
- 42 'Other' events

<u>Note:</u>
Other engagements and meetings in support of consultation took place during the consultation period.

Email Submissions

Volumes to date:	**729 ***
Week 1 (13/02 – 20/02)	55
Week 2 (21/02 – 27/02)	32
Week 3 (28/02 – 06/03)	37
Week 4 (07/03 – 13/03)	42
Week 5 (14/03 – 20/03)	63
Week 6 (21/03 – 27/03)	123
Week 7 (28/03 – 05/04)	377 **

Pie chart categories: 28% Work in education sector, 41% Employer / industry, 15% Member of public, 6% Student, apprentice, trainee, 9% Other, 1% Parent to a student/s, 0% Caregiver, 0% Work for education union
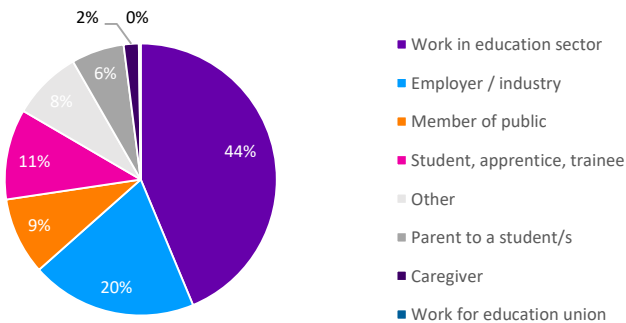
* Template submissions are not reflected in this number
** As of 2PM Friday 5 April 2019

Survey Submissions

Volumes to date:	**361**
Week 1 (13/02 – 20/02)	9
Week 2 (21/02 – 27/02)	60
Week 3 (28/02 – 06/03)	40
Week 4 (07/03 – 13/03)	42
Week 5 (14/03 – 20/03)	45
Week 6 (21/03 – 27/03)	48
Week 7 (28/03 – 05/04)	117

Pie chart categories: 44% Work in education sector, 20% Employer / industry, 9% Member of public, 11% Student, apprentice, trainee, 8% Other, 6% Parent to a student/s, 2% Caregiver, 0% Work for education union

High-Level Feedback Themes

- Despite the large number of events held across the country, several misconceptions around the intended RoVE reforms are still out in the public. Many submitters are under the impression that:
  - On-the-job training will cease, and all training provided by NZIST will be classroom-based
  - All proposals will take effect from 1 January 2020, and everything will be different
  - There will be no more engagement with industry, ITOs, students, etc. after this consultation period closes

- Several submissions from industry bodies state that their industry is quite niche, and they believe that because of their small size, their voice will get lost in an ISB or while engaging with NZIST. Several of these niche industries are also worried that their hard work in creating qualifications and building relationships with providers and communities will get lost due to this reform.

- As mentioned last week, there is widespread scepticism about the ability of ITPs (and especially a large organisation like the NZIST) to build and maintain relationships with industry. Several employers have stated that, if they don't get the quality of service from NZIST that they currently get from their ITO, they would consider starting to train their own staff, even if this would lead to inconsistencies across the sector. A few submitters have stated outright that they will refuse to engage with the NZIST.

- Over the past few weeks, more substantial and constructive submissions have come through. Submitters (employers, education providers, etc.) are thinking through what the impact of these reforms could mean and are exploring each of the proposals in more depth, expressing concern but also identifying opportunities under the new system.

- A concern expressed by many submitters is around the cost and time of transition. They believe that this will be a massive change for the education sector and for New Zealand, and are concerned that TEC / MOE are underestimating how much the transition/implementation will cost and how long it will take.

- Submitters generally understand the case for change for Proposal 2 (Creation of NZIST) but find that they haven't seen a clear case for Proposal 1 (Redefining roles).

Notable Quotes from Feedback Submissions

- *"Model transition arrangements that allow for the transfer of affected staff, to maintain or improve terms and conditions of employment, and maintain institutional knowledge need to be put in place. Our members are asking for clear timelines and processes to negotiate potential re-assignment and training. Certainties need to be put in place to honour and preserve existing staff careers, health and wellbeing. Workers need to be assured they won't lose their job. Our members who are part of existing staff structures also request to be heard in future processes on VET."*
  – from a large union

- *"The Review goes much further than just centralising all ITPs into a single "mega polytech". It also proposes major changes to the ITOs and to industry training. However, no problem has been identified with ITOs or workplace-based industry training by the Review. This makes commenting on the proposals extremely difficult, when there is no actual problem identified."*
  – from an industry body

- *"We support in principle the development of Centres of Vocational Excellence. We would hope that such centres would provide opportunities for secondary school teachers delivering vocational programmes, for example Gateway coordinators and teachers of hard materials technology, could benefit from the expertise in these areas."*
  – from the rector of a secondary school

- *"Industry needs do not always align with tertiary sector schedules – for instance, how will learning be assessed over semester breaks: retail operates 361.5 days a year and training is continually occurring?"*
  – from a large NZ employer

Notable Quotes from Feedback Submissions (continued)

- *"The level of change suggested by the Minister is large scale, some would say disruptive. It is also a great opportunity to improve a vital part of our education sector, we should always strive to do that. As the Minister has stated, many people are jumping to conclusions. Some of the statements being made are inflammatory and not at all helpful […]"*
  – from a Programme Operations Manager at an ITP

- *"Need to build the Treaty into the DNA of the system"*
  – from an attendant at a hui

- *"[We] have been trying for over 15 years to get an industry apprenticeship off the ground to address the shortfall of skilled tradespeople […] we were stone-walled by a number of Government funded agencies. Finally, with the help of [our ITO] in 2016, we were able to launch our [qualification system]. We have over 50 apprentices nationwide and our first apprentices about to graduate."*
  – from a small industry organization

- *"[The proposal] represents a complete reset of the whole system and a fundamental rethink of training delivery. The information presented on the proposed changes is very high level with limited detail on the effects on costs, funding, staff, industry participants, etc. To formulate a coherent industry position requires liaison by submitters with their industry members. It is essential industry understands the options, the consequences and outcomes to maximise the quality of the feedback to the submitting organisations. For such a major review the consultation period has been totally inadequate."*
  – from an employer

Excerpt from TEC Board paper - April

1   Overall the meetings and events that have taken place in ITPs have been positive or constructive. Some community events, such as Otago Polytechnic, EIT and the Southern Institute of Technology, were very well attended (over 800 people attending the public meeting at SIT). The sentiment at SIT was negative, with many people voicing their concerns over the proposed reforms. Otago, by comparison was very professional and constructive, but equally expressing concerns about the NZIST element of the proposals, and in particular over the likelihood of a loss of regional connectedness and responsiveness.

2   The meetings that have taken place at ITOs have been variable. They have ranged from constructive to negative. We have been invited to attend additional meetings with ITOS, and meetings with wider stakeholders and these have generally been constructive. ITOs are in particular concerned about (and opposed to) the loss of their arranging training functions.

TEC

Preliminary summary of submissions about the Reform of Vocational Education

From:	Approved:
Belinda Birchall, Reform of Vocational Education, Delivery Directorate	Gillian Dudgeon, Deputy Chief Executive, Delivery Directorate
	Tim Fowler, Chief Executive

We are providing this Board Paper **for your information only.**

We are in the process of analysing submissions about the Reform of Vocational Education (RoVE)

1   We have received nearly 3000 submissions and survey responses about RoVE. We are in the process of analysing all of the submissions and summarising what we heard. This paper provides you with information about the submissions received to date, and a preliminary summary of submissions.

We are preparing several products that will summarise submissions

2   We have a team across TEC and the Ministry of Education tagging submissions, and policy staff from both agencies are analysing submissions. While tagging was completed late April 2019, analysis will be ongoing, and will be completed in early June. However, analysis is being prioritised to inform development and advice to the Minister, on the basis of the topics being discussed with him across the RoVE work programme. In addition, we are planning several products that will summarise submissions. These will be provided in the Resource Centre when they are made available.

Product	Date
Key Stakeholders Reports (summaries from different stakeholder groups) – for Ministers (public release not yet determined)	TBD
Full Survey Question Review (summary of answers to all survey questions) – for Ministers (public release not yet determined)	10 May
Full Consultation Summary – for Cabinet and then for public release[1]	24 June

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[1] Likely to be part of a proactive release that will occur at the point of publicly releasing information on Cabinet decisions in mid-2019.

We have prepared a preliminary summary of submissions for the TEC Board

3   While submission analysis is ongoing, we have prepared a preliminary summary of submissions for the TEC Board. This is set out in the remainder of this paper, organised by the three proposals. It is important to **note that this is preliminary and subject to change** upon completion of submissions analysis.

4   Overall, there is a mixed level of support for the reform proposals though most submitters recognise that there is a need for change in the system, and that the vocational education and training system is not working as well as it should be. In addition, there is recognition of the financial issues impacting the institutes of technology and polytechnic (ITP) sector, and the need for intervention. There is a desire for greater transferability for students within the system, for greater ease of transition between different types of delivery, and for a funding model that differentiates funding based on different elements, which may include (but not be limited to) location, learner group or delivery model.

Preliminary feedback on Proposal 1 – Redefined roles for industry bodies and education providers

5   This proposal elicited the most polarising views amongst stakeholders. Many industry training organisations (ITOs) and some employers who work with ITOs are opposed to the change to the 'arranging training' function (supporting work-based learning). Providers and some industry groups consider this a key opportunity.

6   Many stakeholders, particularly ITOs and some employers, do not feel the case for change for Proposal 1 is as strong as it is for the other two proposals.

7   Stakeholders are interested to know about how many industry skills bodies (ISBs) there would be, particularly following consolidation by previous Governments. They are concerned that there might now be even more ISBs than current ITOs. Some feel that many industry-specific ISBs would be preferable, while others feel that having fewer ISBs would achieve greater impact and economies of scale.

8   Those who support Proposal 1 state that their industry is not well-served by their ITO, their industry voice is lost within their ITO, their industry does not have an ITO, or they see role changes as leading to a system that has clearer roles and responsibilities (leading to improved educational outcomes).

9   Those who oppose Proposal 1 tend to feel that role change is not needed, as their ITO meets all of their training needs. They are not confident that a provider (or providers) would be as effective as an ITO, or they are concerned that there would be a significant amount of institutional knowledge and relationships lost as a result of any transition from ITOs to ISBs/providers. In addition, they believe the current functionalities of providers are insufficient to deliver on the job training.

10 Some employers are concerned that the changes will not result in what we need most, which is a system that encourages informal study and micro credentials, whereas some stakeholders are concerned about the narrow focus of micro credentials (and the concept of 'training' versus learners gaining an education).

Preliminary view of what ITOs said about Proposal 1

11   Most ITOs strongly support reinstating a Skills Leadership Role for ITOs/ISBs and having a standard-setting role across vocational education. ITOs strongly oppose the proposal to shift their 'arranging training' function to providers. BCITO noted that in principle, they support most of the proposed changes, but this part of the proposal was a 'deal-breaker' for them.

12   Many ITOs recognise that there is a strong need to improve employer engagement in the industry training system. However, they express concern that the proposed reforms are a step too far, arguing that they will lead to significantly decreased employer engagement. ITOs tend to propose that greater employer engagement be driven by the following:

- improved incentives for employers to take on apprentices and trainees, for example, by broadening the student loan scheme and Mana in Mahi; and/or
- an industry or employer levy.

13   Most ITOs are worried that the proposed changes will lead to decreased industry voice in the training system. They argue that having strong industry representation on the NZIST Council and regional leadership groups could mitigate this risk.

14   Most ITOs highlighted employer disengagement in training, resulting in less training, as the key risk of the proposed changes, particularly during a transition period.

15   Some ITOs noted that the current proposed model of training was too supply-focused, which would lead to a system that does not serve industry needs, in particular the needs of smaller and more niche industries. Some ITOs proposed that an alternative arrangement should be more focused on meeting industry needs (e.g. demand-focused) and/or be pan-sector (e.g. vertical rather than horizontal integration). In their mind, this would reduce the current number of ITOS/ISBs, and result in a system where industries would only need to engage with one ISB.

16   ITOs also proposed that government should focus on the immediate problems in the ITP sector first, and then examine opportunities for improving role clarity and provision of training.

17   BCITO put forward a proposal for a 'multiphase' transition process, with different sectors transitioning at different times, and/or with 'transitional industry delivery organisations' taking responsibility for supporting work-based learning within an industry and transitioning the responsibility to providers within a fixed period of time.

18   Primary ITO advocates for ISBs retaining a brokerage role, including matching employees and employers, designing training plans (including pastoral care), negotiating apprenticeship agreements, identifying literacy and numeracy issues, arranging off-job training and school liaison.

Preliminary feedback on Proposal 2 – Create a New Zealand Institute of Skills & Technology (NZIST)

19   Most submitters see that there is a clear problem with the ITP sector, and that sector has been underperforming, particularly financially.

20   There is a strong interest from stakeholders in having a strong regional voice within both the NZIST and Regional Leadership Groups. Several alternative proposals were put forward, including the following:

- Regional arms of the NZIST should be partially or fully autonomous, have to choice to have their own branding within an NZIST framework, and be led by a regional management teams responsible for academic and financial management of the regional arm. Autonomy could also be earned through an earned autonomy concept.
- Regional arms should have regional investment plans.

21   Proposal 2 is the one that Iwi and Māori appear to have engaged with the most. Our engagement with Māori stakeholders found that they want to have a strong voice on the NZIST and Regional Leadership Groups (including equal partnership). Māori stakeholders also noted the complexities of determining how to engage with Māori at both a national and regional level.

22   Those who oppose Proposal 2 argue that their ITP is performing well so they don't see the for change (particularly in Southland and Otago), support an alternate mode for change for the ITP sector, are worried about the potential for creating a monopoly, or are concerned about the impacts on other forms of provision (degrees, adult and community education, foundation learning, and secondary-tertiary programmes).

23   Submitters dislike the proposed name of the NZIST. Several stakeholders noted that they would have liked a reo Māori name, that the name was too long (which would have an impact on branding activities), and that there was already an NZIST in New Zealand (the New Zealand Institute of Science and Technology). In addition, the use of the word 'skills' is disliked, particularly when the NZIST will also issue degree level provision.

24   Some stakeholders were interested in who would be appointed to the Council for the NZIST, and less interested in how they would be appointed. However, nearly all stakeholders that commented on Council structure stated that they felt the Minister should not make all appointments. Stakeholders also talked about how having a single governance Council for the NZIST would present an opportunity to have the sector being 'led by the best'.

Preliminary view of what ITPs said about Proposal 2

25   Most institutes of technology and polytechnics (ITPs) and their regional stakeholders are interested to work with the Government on the establishment of a NZIST, and to think through the appropriate level of consolidation. ITP Chief Executives have been engaging with TEC on a regular basis through a series of workshops around the potential creation of an NZIST.

26   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. However, like ITOs, some ITPs appear to assume that they would be the lead provider of training (and not a PTE or wānanga).

27   Some ITPs were concerned that the proposed merger of ITPs would result in them losing control over their current assets and asset reserves. Those with significant asset bases (and cash reserves) are most interested in this being ring-fenced for their region. Some ITPs noted that we would need to consider what this would mean for assets held in trust, and those assets that were gifted to a regional entity.

28   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. ITPs think they can provide a better level of pastoral care than the ITO sector.

29   ITPs, and regional stakeholders, support the idea of Centres of Vocational Excellence (CoVEs), but note there was little detail in the proposals. A number of regions and ITPs recommended CoVEs – including a wine science CoVE for Nelson/Marlborough, and an outdoor education CoVE for the West Coast.

30   Several ITPs do not agree that the Open Polytechnic should be the model for online provision. They argue that a shared online ITP platform for learning already exists, through the TANZ eCampus, and that SIT has its own online delivery platform. TANZ is an online learning platform used by seven ITPs.

31   SIT proposes an alternative model consisting of an Association of Institutes of Technology and Polytechnics NZ (AITPNZ), with a Council consisting of individual provider chairs and stakeholder representatives, with independent chair appointed by the Minister. This group would focus on issues such as developing long term strategic plan targets, programme and curriculum development at sub-degree level, standard setting, financial and academic recovery system support for individuals not meeting criteria and thresholds, etc.

32   Otago Polytechnic advocates for a 'parent-subsidiary model' rather than a 'head office-branch model'. Under a 'parent-subsidiary' model, regional centres would be separate legal entities with their own governance bodies, while a central organisation would be responsible for planning, coordinating and oversight of the vocational education system, with powers to intervene in the event of failure of either providers or of provision.

Preliminary feedback on proposal 3 – A unified vocational education funding system

33   On the whole, submitters appear to support a unified funding system. However, this proposal received the least amount of engagement with stakeholders. Several stakeholders thought that this proposal would mean that all tertiary education organisations would receive more funding.

34   Some submitters noted that potential changes would need to reflect the following: the range of different training available (for example, formal training pathways to just-in-time learning), the vocational training needs of those disrupted by technological changes, the different costs of training for

specific industries, the ability for regional provision to respond swiftly in changes in demand, and the learning needs of individuals (for example, having higher funding rates for those learners who require additional learning support). Some submitters proposed the need for multi-year funding, to reflect seasonal fluctuations in learner demand.

35   There has also been some discussion about the contribution of industry, individuals and employers, and that delivery is incentivised based on outcomes rather than inputs.

Did we learn anything that was unexpected through our engagement and consultation?

36   Rather than revealing any new issues or concerns that we hadn't previously identified, the consultation and engagement process strongly reinforced the importance of a number of key issues or questions, both to relevant stakeholders and in the determination of the way forward. The most prominent of these issues related to the requirement for regional decision making and the ability of regional communities to engage with local operations or a consolidated entity, which was consistent across most of the New Zealand.

37   Another key issue that we had noted was likely to be raised, but was potentially more prevalent than anticipated, was that current ITOs and industry/employers largely failed to see the potential for providers to deliver on-job training. These organisations were unable to see that a new NZIST (or other providers) may have different capability levels than that currently exhibited by the ITP sector.

38   Overall, there was widespread concerns about the timeframe of consultation, and the number of stakeholders engaged, and requests for longer timeframes and significantly greater engagement (notwithstanding the approximately 200 face-to-face engagements undertaken). In addition, engagement with the ITO sector was hampered by their desire to engage in conversations around the reforms. The vast majority of stakeholders, but particularly Māori and Pacific stakeholders, were interested in hearing about how their voices can be considered on the next stage of the project.

39   Lastly, two other issues were raised by stakeholders relating to the ITP sector. These issues were not raised consistently across all ITPs, but were extremely strong in some areas.

- Current students of particular ITPs – namely Eastern Institute of Technology, Otago Polytechnic and Southern Institute of Technology – were concerned about where they would graduate from, as they had enrolled with the intention of gaining a qualification from that specific institute.
- Teaching staff at certain ITPs were very concerned about degree provision – not necessarily that they wouldn't be able to deliver degrees, but how these would be delivered in light of being under the general banner of the NZIST.

What are the 'must haves' for our new system

40   At a broad level, a lot of the feedback received related to the question of regional responsiveness, and how this can be enabled in a new system. This included, but was not limited to:

- Ensuring that the Treaty-Crown partnership is embedded into the system in a meaningful way, empowering Māori success and engagement at both a central and devolved level;
- The potential incorporation of biculturalism at a Governance level;
- The importance of the division of functions and decision making across regional and consolidated operations;
- The inclusion of a strong structured feedback loop for employers and industry through both the proposed ISB and NZIST functions;
- A strong transition plan that ensures ongoing continuity of delivery during any potential transition period over the next few years.

41   As we continue to work through our recommendations to the Minister, we will keep these 'must-have' design elements front of mind.

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Tai Poutini (TPP)

Contextual:

- TPP currently has a Crown Manager in place, and has received significant crown injections over the last two years.
- Negative:
- Risk that regional campuses of the NZIST will lose too much decision power (ie, TPP uses the example of not wanting to have to contact the national office for routine decision making such as order office supplies, or cleaning.)
- Risk of board size: "TPP considers that a Board appointed by the Minister may not support the Board's responsiveness and accountability to the regions….TPP recommends an establishment/transitional Board to plan and be responsible for the transition…TPP also acknowledges that the effective operation of NZIST would be compromised if the Board membership was too large"

Positive:

- Tai Poutini Polytechnic (TPP) Council and Management strongly support the Government's proposal to reform the New Zealand vocational education and training sector.

Proposal 1

- "TPP strongly supports the proposal to redefine the roles for industry bodies and education providers."
- "The principal opportunity that exists through this proposal for a single vocational education system is to reinvigorate and develop a unified purpose for the sector."
- Benefits to learners will come in the form of increased access to education, and increased student achievement and parity of student outcomes.
- There would be improved quality control and consistency, improve responsiveness to employers and increase speed to market, increase scale in delivery and methods of delivery, and allow for acknowledgement of specialisation .

Proposal 2:

- TPP suggests it would be well placed for CoVEs in Outdoor Education, Conservation and Sustainability, Pounamu Carving, Primary Industries, and Civil Infrastructure
- "TPP agrees that locating NZIST national office functions in one or more regions would show the Government's commitment to regions - including to maintaining jobs in the regions. TPP supports spreading NZIST's centralised back-office services across the regions, rather than having all such functions concentrated in, say, Wellington."
- A clear and logical division of responsibility between the central entity and the regional campuses will be key to the success of NZIST. TPP considers that the reform will be most effective if NZIST's regional campuses retain an appropriate level of operational autonomy.
- The NZIST structure should include:
  - The governing body above, supported by:
  - a small central executive office with,
  - a quality assurance arm;
  - central finance and capital asset management functions;

- o student management system, Regional Leadership Group, Regional delivery "campus" and regional centres of excellence that are either academic or functional.
- TPP recommends a small establishment board (7 Members) to set up the transitional organisation Once they have completed their work a new permanent Board (10 members – 5 ministerial appointees, 3 appointees from the regions, 1 student member and 1 staff member.) would govern the new NZIST
- TPP suggest each region be allowed to send an observer to attend Board meetings. This observer would be a member of the Regional Leadership Group (RLG)
- In addition to the RLG, there should also be a regional operations group which has a closer eye on the direct, day-to-day delivery needs of the individual regional campuses.
- "A Change Management Plan would need to be created and would be a live document that is updated as the project progresses. "
- "Education New Zealand Should become part of the new organisation to centrally coordinate international partnerships."
- TPP recommended a transitional brand such as TPP@NZIST

Proposal 3:

- "TPP strongly supports a unified vocational education funding system that funds only what is required to meet identified and verified regional demand for skills within the broader New Zealand context. TPP holds the view that there is more than enough money available in the system currently - much of it however is poorly expensed. For example, there is not a requirement for 16 separate ITP corporate functions."

Other things to note:

- TPP recognises that the NZIST is not a merger of existing ITPs and ITOs, but the establishment of a new entity.
- TPP has volunteered to be an 'early adopter' of the new model, working with other partners in trials and pilot activities.
- TPP notes the new system must improve outcomes for Māori to be considered successful.

BCITO

Contextual:

- 91% of learners classified as Apprenticeships (compared to 37% at other ITOs).
- States that submission is on what is best for industry, not ITO.

Negative:

- Do not want to lose training function.
- Does not believe providers are capable of maintaining a model with strong face to face relationships and contact between ITO staff and firms/apprentices (~55k visits per year).
- Industry concerned that it will lose guarantee that at least one part of the system operates under its 'full control' (i.e. access to specific training).
- Concern around lack of detail – who will take over BCITOs role of marketing construction careers/schools pathway work.
- Feel reforms miss an opportunity to look at an attempt to rethink how we approach VET or foster behavioural change.
- Believe the definition of VET is limited by excluding industry-linked and occupationally-focused education at degree level and higher.
- Concern that there is not enough emphasis or detail on how the new system will delivery to specific learner groups, such as Maori or Pacific peoples.
- Short timeframe for discussion, particularly given other reforms in education sector underway.
- Risk of increased costs to firms and/or apprentices.
- Concern that smaller areas of delivery might miss out on apprentice training – example given of resin flooring, might not be cost-effective for a provider to deliver.

Positive:

- Establishment of a better/fairer funding system.
- Strategic approach to investment in VET and sector coverage issues.
- Strongly support integrated system for volumetric student based funding – flat rate for on-job higher than current STM rate, flat rate for off-job set less than current EFTS rate, and a third higher rate for Apprenticeships and integrated learning.
- Support proposal to directly fund ITOs' strategic functions.
- Potential greater industry coverage, and consistency/quality of provision.
- Potential learner benefits – flexible pathways, pastoral care.
- See value of CoVEs in having designated specialist centres devoted to exploring/supporting teaching and assessment practice, and undertaking applied research.

Proposal 1 – to be considered:

- ISB needs to a 'strong' version to preserve industry voice, with genuine power within TEC's investment structure and over programme development.
- Current ITO recognition criteria a starting point for ISBs, with changes to reflect stronger strategic role of bodies and need to ensure industry connections

- Recommend ISBs strategic remit be extended to higher levels of qualifications, and in approving CoVE's related to their area.
- Industry relies overwhelmingly on L4 Apprenticeships built around intensive face to face, workplace based model – providers will find this hard to replicate.
- Concern that the shift of a training function would standardise workplace-led offerings between industries, rather than adapting of developing models of training and assessment that meet industry need.

Proposal 2:

- Collegiate model would be a more prudent approach.
- Needs a new/different culture than that currently dominant in ITP sector.
- Council/RLGs need to include business representatives.

Proposal 3:

- Need funding to develop new systems for full range of ISB activities.
- Other things to note:
- Transition proposal: two stage transition proposed – stage one is establishing NZIST and its functional capabilities. Stage two – formalising ISB structures, funding reform etc – would be delayed until around 2022.
- Multiphase approach – allow ITOs and providers to negotiate the transfer of programmes and development of ISB responsibilities on a case-by-case basis.
- Transitional bodies – establishment a separate entity/entities to transfer the arranging training function to. Each transition body would have a guaranteed lifetime, although over time apprentices and trainees could transfer to the providers as suitable programmes came into existence.

Quotes

- *Fundamentally, however, we believe that the Government needs to focus on encouraging cultural and behavioural change – not structural.*
- *While the proposals state that the Government wishes to see more workplace learning and for providers to move away from classroom based models, our industry is highly sceptical that the organisations concerned will share these priorities or be able to duplicate current approaches.*

The ITP Group - Unitec, MIT, Wintec, WITT, Whitireia and WelTec, Tai Poutini, and The Open Polytechnic

Contextual:

- ITP Group currently serves a large community of learners, industry, employers, Iwi and other stakeholders.
- Members of the ITP Group can also offer testing ground facilities as early adopters of change, and be involved in change project design and iterative assessment (provided Government is willing to resource this appropriately).

Negative:

- The scale of change suggested in Proposal 1 should not be underestimated.
- The current relatively short consultation is acceptable to determine a high level vision only if it is followed by ongoing engagement to adequately define the details, and how the transition will be actioned.
- There is a large number of ICT based systems across the vocational sector ranging from SMS and LMS to Financial Platforms. The amalgamation process carries significant complexity and risks as well as significant potential to improve processes across the sector.

Positive:

- Strongly supports proposal one – appropriate response to ensuring the new vocational sector is suitably industry-facing, and meets the needs of industry and employers.
- Supports proposal two subject to considerations presented until Proposal 2 below.
- Supports CoVEs as a mechanism to focus, consolidate and leverage vocational leadership and excellence.
- Strongly supports proposal three.
- Supports proposals as a package of reform – all three proposals have to go ahead.

Proposal 1 – to be considered:

- Agree with it but should be subject to ongoing consultation post announcement mid-2019.
- The redefinition of the roles of the vocational sector is an appropriate response to address the poor outcomes of the current model.
- Governed and led by the industries they serve, ISB's will be better focused to address industry relevant skill standards and the need for and content of qualifications.
- Believes skills leadership function will be better able to give effect to their industry's needs.
- Proposal 1 leaves significant detail to be resolved - including structure, function, responsibilities and funding of the various agencies, and their inter-relationships.
- The scale of change suggested in Proposal 1 should not be underestimated.
- ITP Group is placing considerable trust in government to manage the transition with transparency and empathy.
- ITP Group are committed to working with the current ITO sector to ensure existing ITO-mediated training and delivery is maintained and enhanced over time.

Proposal 2:

- Needs a new name.

- Presents an opportunity to ensure sector is student and industry/employer centric, efficient (with reduced duplication/improved economies of scale), has consistency of quality and portability.
- Should offer seamless coordination across all vocational sectors of training and delivery to learners, coherency of delivery to learners across their life-long journey, and consistency for employers.
- Needs to retain effective regional solutions and responsiveness.
- The NZIST must be underpinned by a learner centric philosophy - encourages lifelong learning, and fosters engagement with stakeholders to develop a skilled and motivated workforce.
- Care must be taken when amalgamating the NZIST that regional provision can be responsive to regional needs and future opportunities.
- National and regional responsibilities must ensure that accountabilities are transparent and enable a clear national direction while still enabling regional character and responsiveness.
- The delineation of NZIST regional institutions within the ROVE process provides the opportunity to maintain regional boundaries that are aligned with iwi boundaries. This will allow for transparent and mutually beneficial partnerships with mana whenua to be maintained, appropriately giving effect to Te Tiriti obligations.
- With the delineation of NZIST regional institutions alongside reform of the funding model, the need for this counterproductive competition and provision oversupply will be obviated.
- Face to face/blended delivery within a region should be undertaken by that regional component of NZIST – with the exception being where specialist provision is not available in-region or potentially specialist COVE-mediated provision.
- Distance/online delivery should be undertaken by NZIST centrally, with any in-region delivery undertaken by the relevant regional NZIST institution. The ITP Group suggests this function could be based on the current Open Polytechnic resources and expertise.
- While most ITPs have engaged to some extent in online provision, this activity and expertise should be consolidated. Only with such consolidation will scale economies, and the full potential of online vocational provision be realised.
- ITP Group has further recommended that the national functions of Curriculum Design and Content Development be clustered with Online and Distance Provision function, and that this be the a core function of the National NZIST.
- National-level branding and associated marketing should be undertaken at the central NZIST level, along with setting of regional international education volume goals. Specific agent-driven and institutional partnership activities should remain at the regional level to incentivise achievement of growth/volume targets.
- Offshore activity could be coordinated at the national level, but undertaken at the regional level.

Proposal 3:

- A revised funding model is integral to the success of ROVE and the sector.
- It must be able to recognise and incentivise vocational training in the 21st Century, and various ways/modes of learning and study.
- A revised model must be robust, and allow vocational providers to identify and respond to changing demand whilst maintaining quality.
- Funding must following the learner.

- Funding must enable innovation.

Other things to note:

- Decisions on RoVE should include a strong statement of the place of higher level provision in the vocational sector.
- The transition ROVE envisages is significant and carries both risks and opportunities. Sector engagement is required to ensure that these risks and opportunities are identified and included in transition planning.
- In particular, regional NZIST institutions will need to maintain strong partnerships with Iwi, and for this reason, as far as is practicable; the delineation of regional boundaries should align with Iwi rohe.
- A regional NZIST institution that has boundaries that correspond with Iwi boundaries will simplify and provide clarity to mana whenua relationships with both the regional NZIST institutions as well as Regional Leadership Groups.
- In addition to building partnerships with Iwi, regional NZIST institutions will need to provide for Māori as both a treaty obligation and a regional community of need for vocational education.
- COVEs should be nationally hosted in the most appropriate campus, and will be most successful if they are based around best talent and practice.
- While COVE leadership will be based at a regional NZIST institution, COVE membership activity and expertise may be centred, clustered or dispersed across many regions according to the needs of the sector, or indeed include international membership.
- It is recommended therefore that alongside the government decisions on ROVE in mid-2019, a channel of communication be established that will provide timely information to key stakeholders – learners, industry, employers, staff, iwi etc.
- It is suggested that the agency managing the transition post the ROVE decisions in mid-2019 establish working groups drawn from all relevant organisations to advise on the scope of systems involved, identify future system options, and manage the development and deployment in the future.

Quotes

- *The ITP Group is unanimous in its desire to support these reforms and ensure the best possible outcomes are achieved for learners, industry, employers, iwi and other stakeholders.*
- *The three proposals are considered as an integrated package. Creating the NZ Institute of Skills and Technology would be pointless without addressing issues with the funding model or changing roles for organisations within the sector.*

Possible ways in which to allocate national and regional responsibilities and functions

National ISB responsibilities

- Develop qualifications and skill standards and co-approval with NZQA
- Develop an industry sector view of required provision, nationally and regionally
- Capstone assessment (where required)

National NZIST Responsibilities

- Report to Governance Body

- Manage relationships with Government (MoE, TEC, NZQA, MBIE)
- Maintain and develop a strong domestic National NZIST Brand and associated Marketing
- Ensure a strong International Brand is maintained along with associated Marketing to support regional NZIST initiatives and activity
- Set sector Strategy and Policies
- Receive, compile and evaluate Regional Leadership Groups recommendations for regional provision of training
- Set Institutional Budget, including for regions (i.e. Regional Delivery Plans)
- Develop Programmes of Learning (85% - 95% of generic content) through a centrally coordinated function (built on existing TOPNZ functionality and utilising wider sector capability) for all programmes including online, distance, blended and face to face modes of delivery.
- Quality Assurance of system performance and delivery
- Merge and manage institutional systems and platforms (IT, Finance etc.)
- Line manage regional leadership
- Overview of COVE Performance
- National development of programmes – including online and distance learning
- Provision of a flexible and learner-centric learning platform that can be adapted to meet different delivery requirements including blended learning
- Provision of an extensive portfolio of digital courseware
- Provision of an extensive portfolio of other programme material suitable for both blended and distance delivery to be utilised across NZIST nationally
- Blended learning design expertise
- Online development of courseware and assessments
- Digital assessment and assessor management services linked to a national Student Management Service
- Expertise in learner analytics including a suite of tools for measuring learners' engagement through the learning platform

Regional NZIST Institutions (incl. sub-regional campuses)

- Develop Regional Delivery Plans, including regional responsiveness and character with Investment Plan requirements for delivery and capital asset revitalisation aligned to regional economic and social/wellness development plans*
- Manage Campus/regional delivery to meet learner and employer/industry needs
- Manage COVEs with standalone or networked and virtual structures
- Set regional engagement and marketing strategies responding to central NZIST strategy and government policy
- Regional Stakeholder engagement, including Regional Leadership Groups
- Design and deliver local contextualised material within Programmes of Learning (5% to 15% to localise and contextualise generic content). This may vary from bite-sized programmes for in-work or block learning to long, multi-year programmes for professional qualifications
- Delivery of Learning, including workplace learning and support
- Coordinate and support regional in-work learning/ pastoral care
- Accreditation of workplaces and assessors for in-work learning
- Manage local systems
- Manage regional budget and strategic KPIs responding to NZIST national KPIs and output measures.

Regional character and regional responsiveness are where localised responses to local needs or opportunities are essential. These have evolved in both ITOs and ITPs and may be expressed in localised programmes, alliances, partnerships or subsidiaries. Examples include a range of Māori and Pacific Islands Trade Training Initiatives at various institutions, a variety of commercial subsidiaries, or alliances such as Weca – the Waikato Engineering Careers Agency and NZHTI (WITT).

Regional Leadership Groups

- Compile and interpret data and intelligence in relation to regional labour market trends and needs
- Compile stakeholder views and assess key priorities
- Develop regional provision recommendations
- Liaison and advocacy with Regional NZIST, ISBs and other stakeholders outside the RLG.

NZITP

Contextual:

- Submission made on behalf of NZ ITPs, who have also submitted separately.

Negative:

- The promise of the proposed new system will be delivered only if the Government progresses all three proposals – if it shelves or delay Proposals 1 and/or 3 the aspiration of the new system will not be achieved and the NZITP position will be very different.
- Short term NZITP has concerns about the impact of last year's changes to immigration rules, changes to the system for visa processing, and uncertainty caused by RoVE has on the sector. These have damaged cash flows and performance results to mid-year 2019.

Positive:

- NZITP group agrees with the high level aims of the reforms.

Proposal 1 – to be considered:

- It is essential that employers play the strongest possible role in the design of the training that the sector provides.

Proposal 2:

- Any new system should achieve the goal of delivering even better results for our learners, and for employers. Any new system should allow high quality individual training options that best suit the circumstances of learner.
- If we get the design right we foresee growth in demand for and delivery of higher quality outcomes from all types of training – apprenticeships, other on-job training, part of full-time institution based training, and distance delivery.
- NZITP recommends a professionally-led process on the name and brand of any new entity.

Proposal 3:

- NZITP is unified in a view that the current funding model is not fit for purpose. It looks forward to a co-design exercise with TEC to develop a new funding system designed to meet the needs of the modern economy, and which is capable of adapting quickly to changed circumstances.
- It recommends an investment approach that recognizes both social and economic returns to the nation. It is vehemently opposed to a cost cutting approach.

Other things to note:

- NZITP advocates for careful planning before implementing reform and careful management of business as usual during transition.
- It wishes to note that offshore, reforms of the vocational education sector have failed because implementation has been undertaken too quickly and mitigations to risks have not been properly considered.

TANZ Accord

Contextual:

- The TANZ Accord is the longest standing ITP collaborative network.
- Consists of Northtec, Toi Ohomai, UCOL, Ara, NMIT and Otago Polytechnic.
- The accord has resulted in successful deployment of a range of significant projects, including developing a common academic statute, shared programme approval and TANZ eCampus. All projects have supported the TANZ vision to ensure a strong and viable vocational "network of provision".

Negative:

- Not sure that structural change will achieve the best outcomes for NZ.
- Any new system will be constrained by the rules of TEC and NZQA. These rules make it difficult to collaborate for programme sharing (NZQA) and impossible for joint delivery (TEC). TANZ Accord strongly recommends that a thorough review of these two central agencies is undertaken as part of the implementation process, with a view to establishing a regulatory regime which supports collaboration.
- Positive:
- TANZ Accord supports the general direction of the proposed reforms.
- TANZ Accord supports the transfer of work place training and apprenticeships to the ITP sector and the establishment of ISBs to set training standards.
- It believes that the consolidation of all public vocational provision in the one sector will enable the development of more seamless training and education offerings, to the benefit of both learners and employers.
- Supports proposed overhaul of the VE funding system.

Proposal 2:

- It supports the proposal for a significant degree of centralisation at system level i.e. there is a definite need for the sector to operate and behave as a system rather than as a collection of fully independent providers. However, not sure that structural change will achieve the best outcomes for NZ.
- Centralisation must not compromise the ability of providers to be highly responsive to their regions and agile/innovative.
- Significant decision making rights must remain with regional providers in the new system, including operational matters not legislatively mandated the responsibility of central agency, providing fit-for-service learning and teaching facilities/equipment, engaging in applied research, delivering vocational training and education, responding to regional training/development/skill and applied research needs, managing international student recruitment and partnerships, operating CoVEs and fundraising/managing bequests.
- There is an urgent need in our view to invest in both leadership/management development as well as teacher training for academics. TANZ Accord strongly recommend that service units to address both of these areas of development be established as a priority by the new central agency.
- Recommends that no decision be made by government to mandate a single provider for online learning, if there is only to be one, but instead to require as a priority action the new central agency to conduct an arm's length evaluation of the current providers with a view to establishing a world class integrated on-line service, or to endorsing diversified delivery models within an integrated structured system.

Proposal 3:

- This model will need to acknowledge significant regional differences which impact the cost of delivery, including population dispersal and the socio-economic make up of a region's population.
- It will also need to acknowledge that there are many learners with high support needs, which are not currently being adequately met under current funding levels: particularly Maori and Pacific learners and learners needing mental health support.

TANZ ECampus

Contextual:

- Online learning grouping consisting of Ara, Northtec, Toi Ohomai, Otago Polytechnic, NMIT, EIT and UCOL

Negative:

- N/A

Positive:

- TANZ ECampus supports the vision for a more integrated vocational education system.
- TANZ ECampus aligns with the Minister's vision for Vocational Education.

Proposal 2:

- TANZ ECampus believe that online learning is a key issue for the new NZIST. It is a critical part of the future of learning to support choice, flexibility and innovation. It should be a fundamental element of the new NZIST's strategic plan development, rather than part of RoVE's organisational restructuring.
- Recommend no decision on online learning is made as a result of the consultation process.
- Decision should be made by NZIST once established, once it knows what a fit for future learning platform should look like.
- Submission provides a range of suggested criteria for future focused best practice learning:
- Ability to flex and respond to current and future learner needs through real world tools and applications, integrated with leading and responsive learning design.
- The internet provides architecture for access, participation and collaboration underpinned by internationally recognised cloud-based infrastructure and service partners.
- Support dynamic groupings, creation of value web, and provides flexibility and resilience to support future of work requirements for learners, businesses, and communities.
- Smart, clever systems are necessary and require critical mass to support personalisation while achieving critical mass to support big data analytics.
- Leverage leading national and international technology capabilities such as open source technologies, resources and tools.
- Technology to drive innovation and integration to support all vocational education purposes.

Other things to note:

- Would welcome opportunity to meet with the Minister, MOE or project team to discuss.

Southern Institute of Technology (SIT)

Contextual:

- SIT has been performing well under the current system, and receives significant support from the Southland Community including assisting in Zero Fees (pre-fees free) and subsequently free accommodation for first year learners. Through these and other initiatives, SIT has a substantial number of learners from other areas of New Zealand and around the world.

Negative:

- Completely oppose Proposal 2

Positive:

- Support proposal 1 and 3

Proposal 1

- "SIT acknowledges the current difference in SAC and STM funding rates and our support of proposal one is qualified by the need for delivery rates to be financially sustainable."
- SIT believes that current RPL and cross crediting sufficiently allow students to move around the country.

Proposal 2:

- Significant concerns about costs of a merger, based on Universities New Zealand the Australian NSW experience
- "There is significant risk of monopoly behaviour from a single vocational education provider in the Institute. It is likely to result in higher costs, less flexible supply and funding qualifications which do not meet the needs of local employers. This will undermine student and employer decisions at a local level "
- "SIT submits that any structural change if it is to occur, should occur incrementally, preferably with a pilot addressing the ITPs at most risk to mitigate against the whole vocational sector failing "
- "SITs preferred position is to stay outside the amalgamation of 16 ITPs and operate independent of it, although purchase from it and contribute to it where applicable e.g. purchase centrally developed programmes and contribute to a network of CoVEs."
- "…leaving SIT (or indeed other well performing ITPs) outside a central body mitigates the risk for the sector and indeed country." In case the centralisation implementation fails
- SIT suggests an alternative model to that proposed:
  - An Association of Institutes of Technology and Polytechnics NZ (AITPNZ) with a council consisting of individual provider chairs and stakeholder representatives with independent chair appointed by the Minister would sit over the ITPs.
  - This group would focus on issues such as developing long term strategic plan targets, programme and curriculum development at sub-degree level, standard setting, financial and academic recovery system support for individuals not meeting criteria and thresholds, etc.
- SIT supports much of Otago's proposals, with some points of difference.
- "In our proposal all individual provider's assets are maintained at establishment."

- SIT wants to ensure "the criteria and process for selection of CoVEs must be open and transparent and the relationship with other providers should be similarly clear."
- "In general SIT supports the standardisation, not centralisation of a number of ITP systems including, but not limited to, Finance, HR and IT, to enhance cooperation through better systems alignment."

Proposal 3:

- "SIT submits that it is critical to implement a new funding system, which recognises:
  - Health and safety requirements which limit class sizes when training for especially industries of particular importance to the New Zealand economy i.e. primary industries, construction and manufacturing trades.
  - The need to implement a national Māori Accountability Framework to address under-achievement.
  - Challenges in sparsely populated, geographically isolated delivery areas.
  - Core provider requirements that should be covered through a base grant.
  - A fund which specifically recognises applied research.
  - Annual inflation adjustment"
- Suggests the new funding system should be in place before structural changes, otherwise poor behaviour will be entrenched in the new system

Other things to note:

- SIT believes becoming part of the centralised entity would result in them lacking the ability to meet the needs of its community.
- The first half of SIT's submission was focused on the good they have done for their community, as an organisation, and for other ITPs.
- SIT believes that TEC needs more guidance from the government on how to undertake earlier interventions into TEIs before any chances are made.
- SIT believes that NZQA needs more guidance from the government to appropriately ensure quality and perform other statutory functions.
- SIT demonstrates interest in extending support to Taratahi.
- "At the SIT Council meeting, and the meeting with the Southland community and stakeholders on 1 March 2019 in Invercargill, the Minister of Education confirmed that SIT would be able to continue delivering its SIT2LRN Distance Learning programme."
- "In SIT's case, given benchmarking figures which show SIT provides many of the ITP services at less than the ITP average, there is an expectation that centralisation might prove more costly for SIT."

s 9(2)(b)(ii) OIA

- "Minister confirmed that SIT would be able to retain control of its cash reserves, ▇▇▇▇▇ ▇▇▇▇▇▇▇▇▇▇▇▇▇▇▇▇▇▇▇▇▇▇▇▇▇ should a centralised proposal be implemented…we propose that the Government include a clause in the relevant amendment to the Education Act 1989 that ring fences SIT's control over its assets."

Otago Polytechnic (OP)

Contextual:

- Otago Poly has been performing very well in the current system

Negative:

- "Otago Polytechnic does not support:
  - the reform proposal as is to merge the current 16 ITPs into a single institution
  - the narrow definition of vocational education which excludes degree and postgraduate teaching and learning
  - the proposal that ISBs set assessment, undertake moderation, approve programme design
  - the proposal that Open Polytechnic be New Zealand's sole provider of on-line learning."
- "The proposed model as it stands is in the nature of a head office-branch structure with very high levels of centralised decision making over not only what is taught but also over operational and capital decision making and staffing matters. The inevitable bureaucracy inherent in head office-branch structures will seriously compromise flexibility and responsiveness of the "branches" as well as the motivation and abilities of the 'branches' to innovate."
- OP questions whether the problems the Minister is trying to solve can be solved through organisational structure.

Positive:

- "Otago Polytechnic supports:
  - the consolidation of workplace training and apprenticeships to institutes of technology and polytechnics
  - the establishment of industry skills bodies to set standards for vocational training
  - the commitment to a new "fit for purpose" funding system
  - the establishment of a vocational education system with an appropriate level of centralisation and appropriate autonomy for regional providers
  - preservation of the academic freedom of staff and institutions as currently provided in the Education Act 1989, contextualised to the new model
  - the establishment of a shared services entity for curriculum development for the system
  - the establishment of centres of vocational excellence as component parts of the new system."
- "Otago Polytechnic applauds the commitment to improve the vocational education funding system and recognises that putting in place a fit-for-purpose funding regime is a complex exercise which will require careful modelling."

Proposal 1

- Concern as, "there is a tendency for employers to want graduates who are trained to meet current needs, not necessarily future needs. It is essential that ISBs are tasked to ensure qualifications are always fit for future needs"
- "there is a tendency for employers to privilege technical/specialist skills with a narrow range of transferable skills that will not necessarily serve well the careers of individual learners. Therefore, the definition of skills must include transferable skills

as set out in the Future of Work research, in order to ensure graduates are equipped to be part of a future focused workforce for New Zealand."

- "We do not support the proposal that ISBs set assessments and undertake moderation. These roles are in direct conflict with the core work of teachers within the system and undermine academic freedom."
- "We are comfortable with ISBs being consulted as part of programme design, as is currently the case with ITOs."
- "We do not support the proposal that ISBs approve or co-approve programmes of learning."
- "We propose that each ISB be specific to the qualification grouping for each industry, and not omnibus bodies as is the case with most ITOs at present."
- "We believe that a priority role for ISBs once established will be to review progressively the Graduate Profiles of existing qualifications on the NZQF."
- "every three years there would be consistency meetings to ensure that delivery across the country meets the minimum standards as set by the ISB, the education requirements as set by NZQA and to enable providers to demonstrate the regional needs (including iwi/hapū needs) and how they work with their local industry to meet their needs…Changes in minimum requirements would be reviewed every 5 years."

Proposal 2:

- Otago lays out potential piecemeal solutions to some of the issues with the ITP sector, for instance, "variable quality can be addressed through clearer standards, better learning design, and through the upskilling of academic staff."
- However, recognising that some centralisation is required for the system to succeed "Otago Polytechnic proposes the establishment of a vocational education system comprising a System Head Office and a number of Regional Centres, in the nature of a "parent-subsidiary" model rather than a "head office-branch" model."

System Head Office

- o "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. "
- o "Delivery of vocational education and training and applied research is through Regional Centres"(Individual providers)
- o "The system is underpinned by a fit-for-purpose funding model which funds independently the System Head office and which funds provision, taking into account not only the regional context (socio-economic makeup and population dispersal) but also the full range of delivery approaches (on campus, on-line, in work)."
- o The System Head Office "will have a governance board which is skills based…and also reflective of key partners and stakeholders…and regional centres. It is envisaged that Government will appoint an independent Chair."
- o The System Head Office "will appoint a Chief Executive…The Chief Executive will establish a system leadership group drawn from leaders of the Regional Centres."
- o OP suggests the Head Office be funded directly
- o System Regional Centres – Individual Providers
- o They will be "separate legal entities and will retain their current special character."
- o "The Regional centres will have a small (4-6 members) governance board"

- o "Centres will be directly funded for approved delivery, including research to support degree and post graduate programmes, and other approved activities."
- o "The model embraces the concept of 'earned autonomy' i.e. the System Regional Centres are provided with full decision rights based on educational and financial performance."
- "Whilst Otago Polytechnic supports a shared curriculum service we do not support a shared curriculum development process that fully standardizes detailed course design and that requires delivery through pre-packaged lessons."
- "Otago Polytechnic strongly supports the establishment of Centres of Vocational Excellence (CoVE)….Otago Polytechnic has significant strengths in several curriculum and research areas and is interested in hosting several CoVE."

Proposal 3:

- OP suggests the new funding system include: a base grant for infrastructure at campus and sub campus level, a population dispersal grant to recognise regions with low population densities, a social index grant to recognise the socio-economic makeup of regions, additional funding to support students with mental health issues, and additional funding to support Māori and Pasifika achievement

Other things to note:

- "We do not support the proposal that Open Polytechnic be mandated as a matter of preference as New Zealand's sole provider of on-line learning. Rather, we strongly recommend that no decision be made by government to mandate a single provider, if there is only to be one, but instead to require as a priority action the new System Head Office to conduct an arm's length evaluation of the current providers with a view to establishing a world class integrated on-line service, or to endorsing diversified delivery models within an integrated structured system."
- "Otago Polytechnic does not support the proposed definition of vocational education, which we see as too narrow and which fails to recognise that many professions require degree level education for entry to the profession."
- "Otago Polytechnic supports a degree of centralisation of Applied Research as part of the reformed VE system."
- "We are proposing the establishment of two professional development centres: an institute for leadership and an institute for teacher education."
- OP recommends reconsidering the roles of NZQA and TEC when many of their current responsibilities are transferred to the system head office
- OP recommends "that there be a phased transition to the new system: three years for the transfer of industry training/apprenticeships to ITPs and a minimum of two years in which current ITP providers continue business as usual."

Wellington Institute of Technology (Weltec) and Whitireia Community Polytechnic (Whitireia)

Context:

- Weltec and Whitireia have shared a council for several years. This council was recently disestablished and a Crown Commissioner was put in place due to poor financial performance (largely from Whitireia)
- They have applied to the Minister to formally merge, but in the context of RoVE this was denied for the time being.

Positive:

- "In broad terms we support the RoVE proposals as an integrated package of reforms. RoVE presents a "once in a generation" opportunity to create a 21st century vocational education system that will truly underpin the growth and development of a strong, healthy economy and society. This opportunity must not be lost."
- "It is crucial that the 3 proposals are implemented in an integrated way."

Proposal 1

- "ITPs (albeit in a different form) are well placed to operate effectively in an integrated system that supports both off job and on job trainees."
- They agree with the proposal to make vocational education providers responsible for delivering and supporting all vocational education and training.
- They agree with the creation of ISBs and their role to set skill standards
- They agree with the creation of CoVEs in principle, subject to further detail

Proposal 2:

- They agree with the creation of the NZIST
- Notes risk centralised model creating a slow moving, innovation stifling organisation that isn't responsive to local needs
- "Any integrated national institution must enable substantial accountability and authority at local level to engage meaningfully with regional partners….Decisions regarding teaching and learning (including student support) should be made as close to point of delivery as is practical and achievable. Other services should be standardised and centralised to extent that it is efficient and practical to do so."
- Notes the significance of the creation of, and perception of, the new NZIST as a new entity rather than a conglomeration of the current ITPs.

Proposal 3:

- "Funding levels must be set at levels that reflect the cost and value of provision irrespective of type."
- They are concerned that there may be a new division in the system between "vocational" and "non-vocational" education, which they would not support
- "A significant degree of volume based variable funding is inevitable and appropriate. However, a revised funding system must also provide some quantum of funding which is secure over multiple years and has mid/long term strategic performance measures not short term tactical measures….measures, timeframes and responses to failure must support, not punish, innovation, collaboration, and regional engagement."

Manukau Institute of Technology (MIT)

Context:

MIT has been struggling financially for some years, and currently has an independent financial advisor in place.

Positive:

- "MIT supports the establishment of a single central organisation bringing together the 16 ITP and 11 ITOs.
- "MIT strongly supports the creation of a unified vocational education funding system and looks forward to playing a part in the creation of that system. MIT is of the view that whereas proposals 1 and 2 are clearly interdependent, proposals 3 can and should be pursued whether proposals 1 and 2 proceed."

Proposal 1

- MIT believes that the NZIST taking on the arranging training function will lead to greater clarity for learners and employers

Proposal 2:

- "The real Council of the new NZIST must be appointed a.s.a.p. so that they can engage and then make decisions with which they will have to live and for which they will be accountable."
- MIT raises concern that "regions" could begin to reproduce competitive behaviour (such as regional campuses continuing to compete in Auckland.)
- MIT recommends national, region, and campus leadership, and that there be significant discussions around what services and responsibilities should be attended to by which level. They have drafted some ideas which are included in their proposal.
- "MIT proposes that there be an option for a CoVE to adopt a virtual membership model"
- "MIT proposes that each CoVE be expected to include international academic expertise to ensure that NZ curriculum is informed by international best practice. "
- "The approach to national curriculum development should:
  - use approval and review mechanisms that give NZIST delivery campuses opportunity to contribute to the deliberations
  - provide for tailored adaptations – within the programme's learning outcomes – to fit local contexts and meet localised needs.
- "MIT supports the inclusion of Wānanga within the CoVE framework"
- MIT notes curriculum design must also systematically address qualities which will prepare learners for the Future of Work/Disrupted work (ie, tech literacy, social dexterity, cultural intelligence, etc.)
- MIT believes the proposal provides an opportunity for more streamlined marketing to International learners
- "MIT is clearly of the view that regions should be based on:
  - clear geographic groupings;
  - have responsibility for advising a smaller group of NZIST providers;
  - exhibit a clear focus, particularly but not exclusively, on the communities and major industries represented in the economies of the region;

- o of a size that is fit-for-purpose to achieve the above;
  - o a capacity to develop and maintain a loose connection with other regions and with major representation of industry that has an important but a more minor presence in those regions."
- MIT suggests a "Greater Auckland Area" region including MIT and Unitec
- MIT does not support continued out of region provision
- MIT is interested in having CoVEs in Maritime Education and training, Multiple Pathways and Transitions (including Secondary/Tertiary Education and Training), Refrigeration and Air Conditioning Developments and Training, Pasifika Community Education and Training, and Nursing and Health Studies.

Proposal 3:

- MIT believes this proposal should be the priority
- "the Government needs to consider the following points:
  - o A core base of funding that is not dependent on student volumes
  - o Funding which is flexible enough for a student/trainee to pick courses and programmes that meet their needs, rather than being locked into programmes the ITP pushes because they are sustainable
  - o Funding which incentivises partnerships EFT funding is easily shared between providers to leverage off each other's strengths (e.g. between an ITP and PTE)
  - o Multi-year funding that incentivises investment and the trialling of new programmes and innovation."
- They would like ITPs to have more autonomy over price according to demand. "Pricing controlled at the centre does not stimulate demand driven pricing"
- "Penalties for non-achievement of diversity targets do not help institutions improve. Extra support should go into those institution not achieving educational success targets. Enhanced equity funding, for instance, would incentivise the new institution to raise participation and achievement outcomes for priority learner groups"
- "If an ITP is required to offer broad based provision then it must be funded to do that, rather than simply targeting courses where there is sustainable demand. Measuring their success against PTEs with very narrow areas of provision does not provide an accurate measure of overall performance"
- "Funding for Industry Skills Bodies (ISBs) should be a mix of Government and industry funding to ensure the ISB remains responsive to the sectors /industries they represent."

Other things to note:

- "MIT recommends that the review addresses the consequential changes to external quality assurance processes that would arise from having NZIST. For example, some existing processes are assumed and are designed to draw comparisons between legally separate entities e.g. External Evaluation and Review (EER) or assume localised curriculum (e.g. Moderation and Consistency Reviews). The existing processes would not fit NZIST."

Universal College of Learning (UCOL)

Positive:

- "UCOL is not broken, we are a high performing Regional ITP and we are ready to lead in the reform of vocational education in New Zealand."

Proposal 1

- "We support Proposal 1 of the reforms."
- "We support the role of Industry Skills Bodies in advising on the development of qualifications and the quality assurance standards."
- "We recommend that all nursing training and all teacher training to secondary school level be undertaken through in-work models within ITPs."
- "We support the role of Industry Skills Bodies (ISBs) in advising on programme mix, defining industry-relevant standards and assisting to quality assure deliverables."

Proposal 2:

- "UCOL supports the formation of Regional Leadership Groups that include Iwi Māori, Pacific and key international relationships."
- "We support a balance of decision-making between the central Governance body and the Regional Chief Executive/Leader."
- While UCOL support centralised curriculum development, they believe there should be some flexibility to alter the programmes to better fit with the region's needs.
- UCOL wishes to have CoVEs for Healthcare and Social Assistance (including Nursing and Social Services)
- "We recognise that we have the capability and track record of regional integration to include the Taranaki Region, along with Hastings and Napier, in our Rohe. However, we signal caution in relation to the latter two…A slight increase in the current UCOL/Central New Zealand Rohe size is manageable within a relatively short timeframe due to our experience in undertaking such integrations. However, we caution against mixing urban/rural needs, and creating territories that are too large to manage well."
- "We recommend integrating new education, training and applied research programmes into UCOL to support the Agricultural Industries due to the economic structure of this Rohe…For example, UCOL delivering EIT or NMIT viticulture and oenology courses in the Wairarapa Region. As well as collaborative applied research projects."
- "We support a structure that appoints a Regional Chief Executive/Leader to each Rohe. This is due to a number of factors: (1) Each Rohe will require some decision-making authority, within the context of a complex organisation, facing complex organisational needs. This requires a substantive leadership position in the Rohe. (2) In order to maintain high level regional relationships with Iwi Māori and Pacific Peoples (Matai etc.), Local Government, other Chief Executives and Officials etc., the role will need sufficient gravitas (and decision-making authority) to gain access to, and competently manage, stakeholder relationships. (3) Regulatory frameworks such as the Health and Safety Act will require management at the Rohe level, this requires Officers — not Managers. (4) Any centralised entity will be a single point of sensitivity in the collective, having a framework of CEOs establishes succession, and makes the system more resilient."
- UCOL does not support the name "NZIST"

- UCOL has its own online IP, and would like to continue to use it, either by assimilating it with Open Poly's IP or as a competitor to keep OP focused on innovation

Proposal 3:

- "We support the Minister's Proposal 3, for a unified funding system"
- "We are not comfortable with measures such as decile rankings or indices that discriminate amongst students and diminish dignity. We advocate for a well-funded student support system, that is individual needs focused and accessible to all."
- "We support a focus on base funding that gives stability, with a contribution model that encourages excellence in delivery and the development of revenue streams independent of Government funding."
- They support a different funding rate between the regions and urban areas
- "We propose a pooled fund for applied research to be undertaken by ITPs, in collaboration with industry, to ensure our relationships are engaged and relevant."
- "We propose a social investment model in relation to transitional education to ensure that no New Zealander is left behind. This model should include the provision of a national system of health and wellbeing professionals made accessible to the students of ITPs."
- "We believe it is unwise to determine the funding system prior to decisions relating to the architecture for vocational education delivery in New Zealand."
- "Funding should support the flexibility learners need to access lifelong learning opportunities. Each Region should be able to develop and deliver non-government funded education and training (such as professional development, and peer to peer learning opportunities)."

Other things to note:

- "Our submission requests clarity around Region and structure, and reassurance to our staff of their long-term future as we are now having trouble with talent-drain due to unease over the reforms."
- "We strongly recommend investing in, developing and implementing a sector-wide staff capability framework, immediately. This would include training in the skills to adapt to a changing environment, as well as individual personnel plans to assist staff to adapt to the new structure and delivery models. The framework should encompass teaching, research and professional staff. We consider this an important commitment to the Minister's ethos of upskilling New Zealanders. It will inspire staff and encourage retention"
- "UCOL supports a co-design approach with NZQA and TEC to evolve the current national curriculum."
- "UCOL supports change as long as all three of the proposals are implemented. To change the structure without changes to roles, and changes to the funding would not provide benefits to education, training and applied research and development."
- "We support centralising international marketing and enrolment as this will ensure there is consistency with enrolment assessment. We question the ongoing role of Education New Zealand and would prefer to see this process managed by any central ITP structure."
- "We propose a national professional development plan for all personnel in ITPs, that invests in their retraining in preparation for transition, and that has a robust framework for annual development going forward."

Waikato Institute of Technology (Wintec)

Wintec has provided it's submission as a collection of recommendations, with context and comments surrounding the recommendations. The recommendations are in full in the table below. Additional notes from the submission are provided beneath the table.

Number	Subject	Recommendation
Future Critical success factors		
1	**Iwi and Māori Responsiveness and Accountability**	Consult constructively with Iwi at a regional level to define the most appropriate way to maintain the current Waikato partnerships and responsiveness to Iwi and Māori needs.
2	**Learner Needs**	Establish a clear communications strategy alongside announcements regarding government decisions about ROVE to reassure domestic and international learners that vocational training will remain a valid and valuable tertiary education option.
3	**Industry needs**	Alongside government decisions on ROVE, confirm to stakeholders in regions that there will continue to be regional vocational provision, that Industry needs will be enhanced through the reforms, and that existing structures, alliances and subsidiaries will continue to play a significant part in delivering regional character and responsiveness.
4	**Higher Level Provision**	Confirm that higher level provision will remain an integral part of the vocational training sector, including in the region.
5	**Vocational Sector Funding Model**	Consult constructively with Wintec and other regional providers in developing a nuanced funding model that allows vocational training appropriate to learner and industry needs in the 21st Century, and allows fluctuating demand to be managed without compromising quality.
6	**National and Regional Responsibilities**	Consult constructively with vocational sector stakeholders to fully understand and codify the appropriate functions of the proposed new organisations
7	**Regional and National Interactions**	Consult constructively with stakeholders to establish appropriate relationships, interactions, and rules of engagement between the proposed new organisations.
8	**Regional Leadership and Connectivity**	Define the composition and functions of Regional Leadership Groups with appropriate clarity to facilitate their initiation but enough flexibility to respond to regional needs
9	**Naming the NZIST**	Commission a properly briefed and executed process to develop the name and Brand of the NZIST
10	**COVEs**	Establish a national network of COVES that reflect existing areas of national vocational leadership in high value sectors
11	**Performance Indicators**	Establish appropriate performance indicators to track the success of the reforms pre, during, and post the ROVE reform process
Transition		
12	**Learners, trainees, and students**	Establish clear communications that reassure existing students that their courses will continue and qualifications awarded, and prospective students that vocational training will be an increasingly attractive option.

13	**Staff**	Establish ongoing communications that reassure staff that changes for them will be identified, communicated and implemented over a defined time period, and that this will be managed sensitively.
14	**Subsidiaries and Associated Organisations**	Clarify that subsidiaries and partnerships will continue to be managed in accordance with their purpose and charter through the transition
15	**Timing**	Establish and communicate a timeline of change, and look for best practice in the implementation and integration of systems.

Other notes:

- Wintec strongly supports the concept of CoVEs, and believes it would be well place to host CoVEs in: Dairy and associated processing, logistics, and engineering; Health and Wellbeing; International; innovation; and Te Ōritetanga.
- Wintec oppose using "Skills" in the name for the new national body, as it's problematic internationally. Per above, they suggest a process to develop the name and brand.
- Wintec has provided a proposed breakdown of responsibilities

    o "National ISBs: Develop qualifications and skill standards and co-approval with NZQA; Receive, compile and evaluate RLG recommendations for regional provision of training; Develop industry sector view of required provision nationally and regionally; Capstone assessment (where required)
    o National NZIST: Central Management and administration, including policy development (HR, ICT, Financial policy etc.); Programme Development (85% – 95% of programme content depending on the degree of customisation required for regional context and learner needs); Marketing – to prospective domestic and international students; Central Support services – including Finance, HR, IT (including systems such as Enrolment and Student Management Services, Learning Management Services etc.).
    o Regional NZIST Campus: Develop Annual Regional Delivery Plan; Programme Development (5 – 15% of programme to address local needs or context); Delivery of Education and Training, including foundation, under-graduate, degree and post graduate training; Research and associated activity in response to regional vocational issues and in support of post graduate education delivery; Pastoral care of students, trainees and apprentices; Accreditation of workplaces and assessors; Regional responsiveness, including responding to regional needs, subsidiaries and partnerships; RLG, Regional Iwi, industry and other stakeholder engagement.
    o Regional Leadership Groups: Compile data and intelligence in relation to regional labour market trends and needs; Compile stakeholder views; Develop regional provision recommendations; Liaison and advocacy with Regional NZIST, ISBs and other stakeholders outside the RLG."
- "The funding of the vocational sector must be less acutely sensitive to fluctuating demand... The model must allow vocational providers to identify and adapt to changing needs, and to retain sufficient resourcing to ensure academic quality is maintained…Funding must also explicitly enable innovation…Funding must support rather than constrain industry and employer engagement"
- "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…Iwi and Māori groups must form a key component of the RLG"

Careerforce

Contextual:

- Careerforce is the ITO for non-regulated health, mental health, aged support, disability, home and community support, social services, youth work, cleaning and urban pest management industries.
- 1000 employers and 20,000 trainees, 160 staff.
- Highly Confident EER, STM growth of 73% 2013-2018.

Negative:

- Believe there are alternative solutions that will best achieve the outcomes the government is pursuing.
- Current ITO system isn't flexible enough – "model needs to be afforded the opportunity to achieve more without the financial, legislative and policy restraint that currently apply."
- Urge Minister to consider the thoughts and expertise of those key to the success of delivery in the health and wellbeing sectors. "Take this appetite for reform and use the opportunity to instil a vocational training model that allows for innovation, agility and future strategic skill enhancement."
- Small amount of consultation on ITO work compared to ITP Roadmap 2020.
- Believe that the key driver for reforms is the ITP sector, even when the Minister told them otherwise, but have written submission on the basis it is for the benefit of the VET system.

Positive:

- Agrees that there should be higher levels of engagement with industry training in NZ, and employers need to have confidence that employees have the right skills.
- Pleased with potential re-inclusion of skills leadership function for ITOs.
- Agree that overhaul of the funding system is a positive and necessary measure.
-

Proposal 1

- Confirmed Minister Hipkins stated change for proposal one would likely happen over a longer time period, and that TEC CE said we want to encourage more employers into training.
- Government believes ITP failure has been caused by a crisis, that the structural setting that separates work based and provider based training has facilitated this. We found it difficult to find evidence for this. Our stakeholders have alternative views.
- Concerned about complex, wholesale change across the large industries they cover.
- Believes policies around overlapping provision could deal with that issue.
- Most of the ISB functions could sit within current ITO structure.
- Does not feel that industry and employers have limited influence on their ITO – feel this is more of a problem in the ITP space.
- Feels that current system offers enough flexibility in training to respond to employer needs.
- Noted that, while only 15% of employers are engaged in system, they are overwhelming choosing ITO training over ITP training (138,000 at ITOs vs 68,000 at ITPs – not sure which year)
- Concerned at the loss of employer/ITO relationships and industry integration.

- Notes that classroom based learning not appropriate for many of their learners, average staff age is 48 and low literacy/numeracy a major issue, ESOL
- Noted that the proposals don't seem to discuss L2 delivery through the ITO which is one of their most crucial levels – currently arranged by ITOs, 5000 people each year
- Careerforce is nearly entirely on the job training. Best placed through ITOs/ISBs.
- Their employers are concerned about their voice being lost, and don't understand some of the references like an ISB guiding TEC on purchase decision.
- Concerned that TEC will not listen to ISBs and will choose what to fund.

Proposal 2:

- Supports centralisation and rationalisation for the new NZIST to be financial sustainable.
- Amalgamation gives rise to significant risk, regional responsiveness must be a key consideration. Difficult to see how one institution could do this.
- Notes that some sectors/industries do require a mix of classroom and on the job learning – hybrid solution in some industries needs to be a better collaboration than it happens now.
- Focus on the areas where joint delivery between ITOs and ITPs is desirable and necessary, and then consider how funding and structural design elements could best be optimised to deliver this.
- Doesn't have a firm view on this, but believes the transition risks should be taken into account.

Proposal 3:

- Current funding model has led to the situation at hand in the ITP sector.
- Agree that overhaul of the funding system is a positive and necessary measure.
- "A consolidated funding approach based on mode of provision rather than provider type will enable more efficient collaboration across the vocational training sector."
- Current funding policies drive unintended market behaviours.

Other things to note:

- Careerforces consultation was a survey of 464 employers, key messages are summarised briefly below:
  - Major disagreed with the proposal to shift support of industry training to the new institute
  - Support for the ITP merger was split
  - Majority support new funding system
  - Majority disagreed with proposal to disband ITOs
  - Majority didn't want to work with single ITP over ITO
  - 59% have high level of concern over loss of sector voice
  - 63% have HLC about lack of consultation
  - 65% have HLC about disruption resulting from reform
  - 62% have HLC that costs may increase
- Also met with peak bodies.

Proposed pathway forward:

- Recommends design work with industry and sector stakeholders. Feels problem has not been well defined.

- A demand-led model is superior to the supply based model proposed. High risk of disengagement under current model.
- Wants ITOs to retain arranging training function.
- Consider how ITOs can better support employers.
- ITOs assume responsibilities of ISBS with the exception of purchasing advice to TEC, as this creates a conflict of interest.
- Centralise programme development by sector, rather than by location.
- Introduce funding equity to enable procurement between education providers at market rates.

Skills Organisation (Skills)

Context:

- Skills is the largest ITO, and the fifth largest tertiary organisation in terms of student numbers. It supports 22 industries, mainly across regulated trades.

Negative:

- "The Government's review process has proposed wholesale change to the NZ vocational training system but has not provided any detail or adequately engaged with industry, employers and learners"
- "The lack of industry engagement and the absence of a clear problem definition pose significant risk for the economic development and social wellbeing of all New Zealanders, especially in a period of skills shortages."
- "Apprenticeships are a key employment pathway for Māori & Pasifika. Qualification completion rates and retention rates for Māori and Pasifika apprentices, are significantly higher through Skills than ITPs due to the holistic, hands on learning support. These communities will be disproportionately affected by the proposed changes, as they are over-represented in vocational training sector."

Proposal 1

- "Skills does not support the establishment of Industry Standard Bodies with the removal of arranging training function"
- Disconnecting the arranging of training function from standard setting and industry leadership, will exacerbate vocational education system failure due to:
  - A loss in capability to match and invest in supply and demand
  - A loss of the ability for industry and employers to influence programme development
  - A loss in industry insight.
  - Disengagement of employers from the vocational system
  - Employers exiting the system all together.
  - A loss of connection between national leadership and regional delivery…regulators are likely to move to a self-certification model.
  - Uncertainty will damage the pipeline for skills in industries already experiencing skill shortages.
  - The proposed changes will not drive increases in the number of employers training
- Skills undertook a survey of 920 employers and found that 55% will either stop hiring apprentices or take on less apprentices due to lack of confidence in the proposed new structure. Lack of confidence was attributed to:
  - Lack of detail and cost information
  - Lack of faith in some ITPs due to the perception and prior history of employers' interactions with ITPs
  - Prolonged uncertainty due to system wide upheaval and a multi-year transition plan.
  - Lack of involvement. Genuine engagement (with industry) will improve confidence in the reforms
- "Centralisation would break the connection between the trainee and the region."
- They are concerned the new model won't allow the NZIST to innovate in the regions
- "A more centralised system removes the ability to build confidence and close relationships with communities and whanau."

- "Under the current model, Māori and Pasifika achievement has increased significantly…The proposed changes to the VET system…will put this growth and momentum at risk."
- They do not support the considerable cost there will be to undertake this change
- Skills believes that if the arranging training function is moved to providers, training costs will increase, as industry will be unwilling to pay the 30% workplace contribution, increasing costs to the government to ensure that places are available.
- They are concerned that the reforms may result in the alienation of industry
- They are concerned that the NZIST may not be able to support small, niche industry courses due to cost barriers.

Proposal 2:

- "Skills supports the consolidation in the ITP sector to reduce the number of ITPs, but not the establishment of a single entity."
- "Shifting responsibility for workplace learners to providers as a way of 'fixing' the polytechnic business model through increased learner numbers will not address the fundamental shifts (in culture) that need to occur."
- "It is reckless and naïve to propose that a national merger of 27 organisations, each with their own culture, vision, practice and processes, will provide the nimble responsiveness, regional relevance and personal support needed to drive the recruitment of learners and employers into the VET system."

Proposal 3:

- "Skills supports a centralised and unified VET funding system for the right reasons"
- "Many ITOs have shifted away from including more substantial off-job components in their programmes because of affordability. Current industry training rates increasingly make the purchase of ITP provision unaffordable in many circumstances – to the detriment of ITPs. In other cases, through the preferences or realities of industries, all on-job options must be an allowable choice"
- "If a new consolidated funding system was well-instituted, it could enable ITOs to purchase more off-job provision and adequately pay more for it."
- "If implemented alongside the proposal to place provision and training arrangement with the same organisation(s) there is a very real risk in the gaming of the funding system to strike a balance of on and off-job training to optimise funding for the provider ahead of the skills needs of employers."

Other things to note:

- Instead of the proposed reforms, Skills Organisation has a number of 'low risk' suggestions for strengthen the VET system. "1. Increase demand through incentives and business development…2. Increase supply by connecting schools into the vocational educational system….3. Fix funding and success measures to increase co-operation…4. Have fewer, more capable ITOs… "

New Zealand Marine & Composites ITO (NZMAC)

Context:

- NZMAC is the smallest ITO in New Zealand, with approximately 450 apprentices.

Proposal 1

- "Introducing a 'provider' to take over delivery and support of trainees in an industry where no provider currently operates will undermine the close relationships the employers (who together make up the industry) have with the ITO."
- "NZMAC ITO is ready to become the Maritime, Marine & Composites ISB. We can continue to do this with an equal partnership with NZIST for on-campus training, noting that there is no overlap in the marine/maritime sectors and so the reforms would have no role here, nor achieve any efficiencies:"
- NZMAC do not believe that moving in-work training to a provider will address the negative reputation of vocational education.
- "The intent of Proposal 1 – to "extend the leadership role of industry" is noble and needed, but the mechanisms to achieve this are crude and likely to be ineffective. Worse they could have the effect of reducing the leadership role of industry. The intent that NZIST would be responsible for delivering and supporting all vocational education is problematic as it effectively decouples the connection between industry and the learner…In the marine and composites industry the delivery of training is overseen by NZMAC and critical training opportunities are recognised and enabled quickly through an intimate connection with the industry. Were this function to be transferred to a centralised provider, the industry connection becomes tenuous, not close, and NZMAC (as ITO or ISB) would be disconnected from both the training and the workplace; this will effectively undermine the trust that has been built up over many years."
- NZMAC are concerned that the 'Field Officer' role would be watered down by the polytechnic, and they do not have any intimate knowledge of the marine industry. Additionally, they believe that the information gained by Field Officers when in the field would then be passed back to the NZIST, and would be unlikely to make its way back to the ISB, who would need that knowledge to provide advice.
- They don't believe that educators will be able to do the work of Field Officers, as they have vastly different skill sets.
- NZMAC notes concerns that providers would not be able to deliver "on job" training as part of a mix of work-based learning, the learners won't have jobs to go to.
- NZMAC is concerned that the TEC's requirement to 'give regard to' the ISB is not substantial. Additionally, they are concerned that the Provider will not deliver training where the ISBs advise it must be delivered (ie, on campus or in work)
- NZMAC are concerned that as a boutique/niche provider, their needs will ignored in lieu of larger industries.
- NZMAC does not believe the NZIST will be agile enough to respond to the changes required in their field.
- "Employers will still 'train' but they may no longer 'qualify' their staff."
- NZMAC suggests as most ITOs will become ISBs, a simple name change would suffice.
- They don't believe the system will work if the ISB is responsible to be the assessor, but has no input or control of the delivery.

- They are concerned that the provider won't be required to deliver the training the ISBs think is necessary, or the RLG might overrule them.
- NZMAC suggests ISBs could host a CoVE. In their case they argue they should host one as there is not activity in Marine in Composites in the ITP sector.
- They believe that the RLGs are unnecessary, duplicating work already done by MBIE, and that they weaken ISBs advisory role.

Proposal 2:

- NZMAC is concerned that even if the ITPs are merged, the way they operate will continue as before and the financial issues will continue. They would rather the government "let the ITP sector shrink to its natural size and leave the task of vocational education to those who do it better: the ITOs and the PTEs."

Other things to note:

- They are frustrated that they don't feel they were appropriately consulted before the consultation, that they didn't have enough time during the consultation, and that there isn't going to be time for substantial consultation after consultation/before full implementation
- NZMAC feels that the ITO sector is being altered only to assist the ITP sector, rather than due to any substantial problem in the ITO sector. If there is a problem in the sector, they feel there should have been more substantial thought put behind how to fix it, and this feels rushed and haphazard. They regularly point to the problem definition not being released until the final week of consultation.
- It is concerned that the staffing matters haven't yet been addressed, that it may lead to confusion and inappropriate distribution of duties
- They recommend:
  o ITO/ISBs being responsible for skills leadership in a meaningful way
  o A learner-centric model-specifically a requirement that providers working with on-job vocational learners be required to visit all learners, rather than just those at level 4 as their current requirements dictate.
  o Strong Pathways, built by ITOs or NZIST being involved from secondary
  o A new role for industry – incentivizing employers to take on additional learners
  o A partnership model between the ITO/ISBs and the NZIST. At this point they also recommend removing the rule that ITOs can only have up to 10% of their learners above level 4.
  o Consolidating the polytechnic sector to ensure its consistency and coherence.
  o Slowing down the process by addressing the amalgamation of the ITPs into NZIST first (for implementation in early 2020) to be followed by a more measured integration of ITOs and/or ISBs when the landscape is better known and understood
  o Strengthening standard setting but do it by increasing and enforcing powers of ITOs.
  o Avoiding the separation of arranging training from standard setting.

BusinessNZ

Contextual:

- Internationally, the vocational education systems of Austria, Germany and Switzerland are well recognised for driving productivity.

Negative:

- The scope of the RoVE consultation review proposes a structural solution to a systems problem.
- There is a broader system failure in the existing fractured vocational education sector. This ranges from a lack of systemic careers guidance and too many young people failing to transition effectively in to training and employment and a skills mismatch between the graduates produced by the education system and the skills and attributes needed by New Zealand businesses.
- Single point of failure for NZITP – even those current ITPs that have the 'right' factors for success are not 100% sure about their ability to effectively link with industry and employers.

Positive:

- Establishment of a better/fairer funding system.

Proposal 1 – to be considered:

- ISB needs to a 'strong' version to preserve industry voice, with genuine power within TEC's investment structure and over programme development.

Proposal 2:

- Collegiate model would be a more prudent approach.

Proposal 3:

- Need funding to develop new systems for full range of ISB activities.
- Other things to note:
- Transition proposal: two stage transition proposed – stage one is establishing NZIST and its functional capabilities. Stage two – formalising ISB structures, funding reform etc – would be delayed until around 2022.
- A unified vocational education system can be achieved without full centralisation of the system.

Quotes

- Fundamentally, however, we believe that the Government needs to focus on encouraging cultural and behavioural change – not structural.
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- Primary ITO
- The key issues presented in the submission are summarised below.
- Primary ITO recognise that the Minister is seeking system change, and wish to work constructively with government to design and executive an industry led, government enabled and learner centred vocational education system.
- It states that it has received support for its views from over 200 industry stakeholders and has formally engaged with 100 firms, industry bodies and local bodies.
- It supports any potential ISBs having a brokerage role, and a role to define curriculum and qualifications.
- It would welcome the opportunity to transition to an ISB as an early adopter.
- It sees ITOs retaining a brokerage function as essential. This includes matching employees and employers, designing training plans (including pastoral care), negotiating apprenticeship agreements, identifying literacy and numeracy issues, arranging off-job training and school liaison.
- Primary ITO does not support the brokerage function of ITOs (arranging training) being shifted to the NZIST (and though it's not explicitly expressed, presumably to other providers)
- It supports a smaller number of ISBs than ITOs – and suggests six.
- It supports changes to the funding system that recognises high cost delivery – such as primary industry delivery – as well as informal, non-formal and short course learning opportunities.
- It raises a number of issues it believes are unique to the primary industry sector, such as access of training for owner/operators and pastoral care, given the geographic dispersal of learners.

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Tai Poutini (TPP)

Contextual:

- TPP currently has a Crown Manager in place, and has received significant crown injections over the last two years.

Negative:

- Risk that regional campuses of the NZIST will lose too much decision power (ie TPP uses the example of not wanting to have to contact the national office for routine decision making such as order office supplies, or cleaning contractors)
- Risk of board size: "*TPP considers that a Board appointed by the Minister may not support the Board's responsiveness and accountability to the regions….TPP recommends an establishment/transitional Board to plan and be responsible for the transition…TPP also acknowledges that the effective operation of NZIST would be compromised if the Board membership was too large*"

Positive:

- TPP Council and Management strongly support the Government's proposal to reform the New Zealand vocational education and training sector.

Proposal 1

- *"TPP strongly supports the proposal to redefine the roles for industry bodies and education providers."*
- *"The principal opportunity that exists through this proposal for a single vocational education system is to reinvigorate and develop a unified purpose for the sector."*
- Benefits to learners will come in the form of increased access to education, and increased student achievement and parity of student outcomes.
- There would be improved quality control and consistency, improve responsiveness to employers and increase speed to market, increase scale in delivery and methods of delivery, and allow for acknowledgement of specialisation.

Proposal 2:

- TPP suggests it would be well placed for CoVEs in Outdoor Education, Conservation and Sustainability, Pounamu Carving, Primary Industries, and Civil Infrastructure
- *"TPP agrees that locating NZIST national office functions in one or more regions would show the Government's commitment to regions - including to maintaining jobs in the regions. TPP supports spreading NZIST's centralised back-office services across the regions, rather than having all such functions concentrated in, say, Wellington."*
- A clear and logical division of responsibility between the central entity and the regional campuses will be key to the success of NZIST. TPP considers that the reform will be most effective if NZIST's regional campuses retain an appropriate level of operational autonomy.
- The NZIST structure should include:
  - The governing body above, supported by:
  - a small central executive office with,
  - a quality assurance arm;
  - central finance and capital asset management functions;

- o student management system, Regional Leadership Group, Regional delivery "campus" and regional centres of excellence that are either academic or functional.
- TPP recommends a small establishment board (seven members) to set up the transitional organisation Once they have completed their work a new permanent Board (10 members – five ministerial appointees, three appointees from the regions, one student member and one staff member) would govern the new NZIST
- TPP suggest each region be allowed to send an observer to attend Board meetings. This observer would be a member of the Regional Leadership Group (RLG)
- In addition to the RLG, there should also be a regional operations group which has a closer eye on the direct, day-to-day delivery needs of the individual regional campuses.
- *"A Change Management Plan would need to be created and would be a live document that is updated as the project progresses."*
- *"Education New Zealand Should become part of the new organisation to centrally coordinate international partnerships."*
- TPP recommended a transitional brand such as TPP@NZIST

Proposal 3:

- *"TPP strongly supports a unified vocational education funding system that funds only what is required to meet identified and verified regional demand for skills within the broader New Zealand context. TPP holds the view that there is more than enough money available in the system currently - much of it however is poorly expensed. For example, there is not a requirement for 16 separate ITP corporate functions."*

Other things to note:

- TPP recognises that the NZIST is not a merger of existing ITPs and ITOs, but the establishment of a new entity.
- TPP has volunteered to be an 'early adopter' of the new model, working with other partners in trials and pilot activities.
- TPP notes the new system must improve outcomes for Māori to be considered successful.

BCITO

Contextual:

- 91% of learners classified as Apprenticeships (compared to 37% at other ITOs).
- States that submission is on what is best for industry, not ITO.

Negative:

- Do not want to lose training function.
- Does not believe providers are capable of maintaining a model with strong face to face relationships and contact between ITO staff and firms/apprentices (~55k visits per year).
- Industry concerned that it will lose guarantee that at least one part of the system operates under its 'full control' (i.e. access to specific training).
- Concern around lack of detail – who will take over BCITOs role of marketing construction careers/schools pathway work.
- Feel reforms miss an opportunity to look at an attempt to rethink how we approach VET or foster behavioural change.
- Believe the definition of VET is limited by excluding industry-linked and occupationally-focused education at degree level and higher.
- Concern that there is not enough emphasis or detail on how the new system will delivery to specific learner groups, such as Maori or Pacific peoples.
- Short timeframe for discussion, particularly given other reforms in education sector underway.
- Risk of increased costs to firms and/or apprentices.
- Concern that smaller areas of delivery might miss out on apprentice training – example given of resin flooring, might not be cost-effective for a provider to deliver.

Positive:

- Establishment of a better/fairer funding system.
- Strategic approach to investment in VET and sector coverage issues.
- Strongly support integrated system for volumetric student based funding – flat rate for on-job higher than current STM rate, flat rate for off-job set less than current EFTS rate, and a third higher rate for Apprenticeships and integrated learning.
- Support proposal to directly fund ITOs' strategic functions.
- Potential greater industry coverage, and consistency/quality of provision.
- Potential learner benefits – flexible pathways, pastoral care.
- See value of CoVEs in having designated specialist centres devoted to exploring/supporting teaching and assessment practice, and undertaking applied research.

Proposal 1 – to be considered:

- ISB needs to a 'strong' version to preserve industry voice, with genuine power within TEC's investment structure and over programme development.
- Current ITO recognition criteria a starting point for ISBs, with changes to reflect stronger strategic role of bodies and need to ensure industry connections

- Recommend ISBs strategic remit be extended to higher levels of qualifications, and in approving CoVE's related to their area.
- Industry relies overwhelmingly on L4 Apprenticeships built around intensive face to face, workplace based model – providers will find this hard to replicate.
- Concern that the shift of a training function would standardise workplace-led offerings between industries, rather than adapting of developing models of training and assessment that meet industry need.

Proposal 2:

- Collegiate model would be a more prudent approach.
- Needs a new/different culture than that currently dominant in ITP sector.
- Council/RLGs need to include business representatives.

Proposal 3:

- Need funding to develop new systems for full range of ISB activities.
- Other things to note:
- Transition proposal: two stage transition proposed – stage one is establishing NZIST and its functional capabilities. Stage two – formalising ISB structures, funding reform etc – would be delayed until around 2022.
- Multiphase approach – allow ITOs and providers to negotiate the transfer of programmes and development of ISB responsibilities on a case-by-case basis.
- Transitional bodies – establishment a separate entity/entities to transfer the arranging training function to. Each transition body would have a guaranteed lifetime, although over time apprentices and trainees could transfer to the providers as suitable programmes came into existence.

Quotes

- *Fundamentally, however, we believe that the Government needs to focus on encouraging cultural and behavioural change – not structural.*
- *While the proposals state that the Government wishes to see more workplace learning and for providers to move away from classroom based models, our industry is highly sceptical that the organisations concerned will share these priorities or be able to duplicate current approaches.*

The ITP Group - Unitec, MIT, Wintec, WITT, Whitireia and WelTec, Tai Poutini, and The Open Polytechnic

Contextual:

- ITP Group currently serves a large community of learners, industry, employers, Iwi and other stakeholders.
- Members of the ITP Group can also offer testing ground facilities as early adopters of change, and be involved in change project design and iterative assessment (provided Government is willing to resource this appropriately).

Negative:

- The scale of change suggested in Proposal 1 should not be underestimated.
- The current relatively short consultation is acceptable to determine a high level vision only if it is followed by ongoing engagement to adequately define the details, and how the transition will be actioned.
- There is a large number of ICT based systems across the vocational sector ranging from SMS and LMS to Financial Platforms. The amalgamation process carries significant complexity and risks as well as significant potential to improve processes across the sector.

Positive:

- Strongly supports proposal one – appropriate response to ensuring the new vocational sector is suitably industry-facing, and meets the needs of industry and employers.
- Supports proposal two subject to considerations presented until Proposal 2 below.
- Supports CoVEs as a mechanism to focus, consolidate and leverage vocational leadership and excellence.
- Strongly supports proposal three.
- Supports proposals as a package of reform – all three proposals have to go ahead.

Proposal 1 – to be considered:

- Agree with it but should be subject to ongoing consultation post announcement mid-2019.
- The redefinition of the roles of the vocational sector is an appropriate response to address the poor outcomes of the current model.
- Governed and led by the industries they serve, ISB's will be better focused to address industry relevant skill standards and the need for and content of qualifications.
- Believes skills leadership function will be better able to give effect to their industry's needs.
- Proposal 1 leaves significant detail to be resolved - including structure, function, responsibilities and funding of the various agencies, and their inter-relationships.
- The scale of change suggested in Proposal 1 should not be underestimated.
- ITP Group is placing considerable trust in government to manage the transition with transparency and empathy.
- ITP Group are committed to working with the current ITO sector to ensure existing ITO-mediated training and delivery is maintained and enhanced over time.

Proposal 2:

- Needs a new name.

- Presents an opportunity to ensure sector is student and industry/employer centric, efficient (with reduced duplication/improved economies of scale), has consistency of quality and portability.
- Should offer seamless coordination across all vocational sectors of training and delivery to learners, coherency of delivery to learners across their life-long journey, and consistency for employers.
- Needs to retain effective regional solutions and responsiveness.
- The NZIST must be underpinned by a learner centric philosophy - encourages lifelong learning, and fosters engagement with stakeholders to develop a skilled and motivated workforce.
- Care must be taken when amalgamating the NZIST that regional provision can be responsive to regional needs and future opportunities.
- National and regional responsibilities must ensure that accountabilities are transparent and enable a clear national direction while still enabling regional character and responsiveness.
- The delineation of NZIST regional institutions within the ROVE process provides the opportunity to maintain regional boundaries that are aligned with iwi boundaries. This will allow for transparent and mutually beneficial partnerships with mana whenua to be maintained, appropriately giving effect to Te Tiriti obligations.
- With the delineation of NZIST regional institutions alongside reform of the funding model, the need for this counterproductive competition and provision oversupply will be obviated.
- Face to face/blended delivery within a region should be undertaken by that regional component of NZIST – with the exception being where specialist provision is not available in-region or potentially specialist COVE-mediated provision.
- Distance/online delivery should be undertaken by NZIST centrally, with any in-region delivery undertaken by the relevant regional NZIST institution. The ITP Group suggests this function could be based on the current Open Polytechnic resources and expertise.
- While most ITPs have engaged to some extent in online provision, this activity and expertise should be consolidated. Only with such consolidation will scale economies, and the full potential of online vocational provision be realised.
- ITP Group has further recommended that the national functions of Curriculum Design and Content Development be clustered with Online and Distance Provision function, and that this be the a core function of the National NZIST.
- National-level branding and associated marketing should be undertaken at the central NZIST level, along with setting of regional international education volume goals. Specific agent-driven and institutional partnership activities should remain at the regional level to incentivise achievement of growth/volume targets.
- Offshore activity could be coordinated at the national level, but undertaken at the regional level.

Proposal 3:

- A revised funding model is integral to the success of ROVE and the sector.
- It must be able to recognise and incentivise vocational training in the 21st Century, and various ways/modes of learning and study.
- A revised model must be robust, and allow vocational providers to identify and respond to changing demand whilst maintaining quality.
- Funding must following the learner.

- Funding must enable innovation.

Other things to note:

- Decisions on RoVE should include a strong statement of the place of higher level provision in the vocational sector.
- The transition ROVE envisages is significant and carries both risks and opportunities. Sector engagement is required to ensure that these risks and opportunities are identified and included in transition planning.
- In particular, regional NZIST institutions will need to maintain strong partnerships with Iwi, and for this reason, as far as is practicable; the delineation of regional boundaries should align with Iwi rohe.
- A regional NZIST institution that has boundaries that correspond with Iwi boundaries will simplify and provide clarity to mana whenua relationships with both the regional NZIST institutions as well as Regional Leadership Groups.
- In addition to building partnerships with Iwi, regional NZIST institutions will need to provide for Māori as both a treaty obligation and a regional community of need for vocational education.
- COVEs should be nationally hosted in the most appropriate campus, and will be most successful if they are based around best talent and practice.
- While COVE leadership will be based at a regional NZIST institution, COVE membership activity and expertise may be centred, clustered or dispersed across many regions according to the needs of the sector, or indeed include international membership.
- It is recommended therefore that alongside the government decisions on ROVE in mid-2019, a channel of communication be established that will provide timely information to key stakeholders – learners, industry, employers, staff, iwi etc.
- It is suggested that the agency managing the transition post the ROVE decisions in mid-2019 establish working groups drawn from all relevant organisations to advise on the scope of systems involved, identify future system options, and manage the development and deployment in the future.

Quotes

- *The ITP Group is unanimous in its desire to support these reforms and ensure the best possible outcomes are achieved for learners, industry, employers, iwi and other stakeholders.*
- *The three proposals are considered as an integrated package. Creating the NZ Institute of Skills and Technology would be pointless without addressing issues with the funding model or changing roles for organisations within the sector.*

Suggested possible ways in which to allocate national and regional responsibilities and functions

National ISB responsibilities

- Develop qualifications and skill standards and co-approval with NZQA
- Develop an industry sector view of required provision, nationally and regionally
- Capstone assessment (where required)

National NZIST Responsibilities

- Report to Governance Body
- Manage relationships with Government (MoE, TEC, NZQA, MBIE)

- Maintain and develop a strong domestic National NZIST Brand and associated Marketing
- Ensure a strong International Brand is maintained along with associated Marketing to support regional NZIST initiatives and activity
- Set sector Strategy and Policies
- Receive, compile and evaluate Regional Leadership Groups recommendations for regional provision of training
- Set Institutional Budget, including for regions (i.e. Regional Delivery Plans)
- Develop Programmes of Learning (85% - 95% of generic content) through a centrally coordinated function (built on existing TOPNZ functionality and utilising wider sector capability) for all programmes including online, distance, blended and face to face modes of delivery.
- Quality Assurance of system performance and delivery
- Merge and manage institutional systems and platforms (IT, Finance etc.)
- Line manage regional leadership
- Overview of COVE Performance
- National development of programmes – including online and distance learning
- Provision of a flexible and learner-centric learning platform that can be adapted to meet different delivery requirements including blended learning
- Provision of an extensive portfolio of digital courseware
- Provision of an extensive portfolio of other programme material suitable for both blended and distance delivery to be utilised across NZIST nationally
- Blended learning design expertise
- Online development of courseware and assessments
- Digital assessment and assessor management services linked to a national Student Management Service
- Expertise in learner analytics including a suite of tools for measuring learners' engagement through the learning platform

Regional NZIST Institutions (incl. sub-regional campuses)

- Develop Regional Delivery Plans, including regional responsiveness and character with Investment Plan requirements for delivery and capital asset revitalisation aligned to regional economic and social/wellness development plans*
- Manage Campus/regional delivery to meet learner and employer/industry needs
- Manage COVEs with standalone or networked and virtual structures
- Set regional engagement and marketing strategies responding to central NZIST strategy and government policy
- Regional Stakeholder engagement, including Regional Leadership Groups
- Design and deliver local contextualised material within Programmes of Learning (5% to 15% to localise and contextualise generic content). This may vary from bite-sized programmes for in-work or block learning to long, multi-year programmes for professional qualifications
- Delivery of Learning, including workplace learning and support
- Coordinate and support regional in-work learning/ pastoral care
- Accreditation of workplaces and assessors for in-work learning
- Manage local systems
- Manage regional budget and strategic KPIs responding to NZIST national KPIs and output measures.

Regional character and regional responsiveness are where localised responses to local needs or opportunities are essential. These have evolved in both ITOs and ITPs and may be expressed in localised programmes, alliances, partnerships or subsidiaries. Examples include a range of Māori and Pacific Islands Trade Training Initiatives at various institutions, a variety of commercial subsidiaries, or alliances such as Weca – the Waikato Engineering Careers Agency and NZHTI (WITT).

Regional Leadership Groups

- Compile and interpret data and intelligence in relation to regional labour market trends and needs
- Compile stakeholder views and assess key priorities
- Develop regional provision recommendations
- Liaison and advocacy with Regional NZIST, ISBs and other stakeholders outside the RLG.

NZITP

Contextual:

- Submission made on behalf of NZ ITPs, who have also submitted separately.

Negative:

- The promise of the proposed new system will be delivered only if the Government progresses all three proposals – if it shelves or delay Proposals 1 and/or 3 the aspiration of the new system will not be achieved and the NZITP position will be very different.
- Short term NZITP has concerns about the impact of last year's changes to immigration rules, changes to the system for visa processing, and uncertainty caused by RoVE has on the sector. These have damaged cash flows and performance results to mid-year 2019.

Positive:

- NZITP group agrees with the high level aims of the reforms.

Proposal 1 – to be considered:

- It is essential that employers play the strongest possible role in the design of the training that the sector provides.

Proposal 2:

- Any new system should achieve the goal of delivering even better results for our learners, and for employers. Any new system should allow high quality individual training options that best suit the circumstances of learner.
- If we get the design right we foresee growth in demand for and delivery of higher quality outcomes from all types of training – apprenticeships, other on-job training, part of full-time institution based training, and distance delivery.
- NZITP recommends a professionally-led process on the name and brand of any new entity.

Proposal 3:

- NZITP is unified in a view that the current funding model is not fit for purpose. It looks forward to a co-design exercise with TEC to develop a new funding system designed to meet the needs of the modern economy, and which is capable of adapting quickly to changed circumstances.
- It recommends an investment approach that recognizes both social and economic returns to the nation. It is vehemently opposed to a cost cutting approach.

Other things to note:

- NZITP advocates for careful planning before implementing reform and careful management of business as usual during transition.
- It wishes to note that offshore, reforms of the vocational education sector have failed because implementation has been undertaken too quickly and mitigations to risks have not been properly considered.

TANZ Accord

Contextual:

- The TANZ Accord is the longest standing ITP collaborative network.
- Consists of Northtec, Toi Ohomai, UCOL, Ara, NMIT and Otago Polytechnic.
- The accord has resulted in successful deployment of a range of significant projects, including developing a common academic statute, shared programme approval and TANZ eCampus. All projects have supported the TANZ vision to ensure a strong and viable vocational "network of provision".

Negative:

- Not sure that structural change will achieve the best outcomes for NZ.
- Any new system will be constrained by the rules of TEC and NZQA. These rules make it difficult to collaborate for programme sharing (NZQA) and impossible for joint delivery (TEC). TANZ Accord strongly recommends that a thorough review of these two central agencies is undertaken as part of the implementation process, with a view to establishing a regulatory regime which supports collaboration.
- Positive:
- TANZ Accord supports the general direction of the proposed reforms.
- TANZ Accord supports the transfer of work place training and apprenticeships to the ITP sector and the establishment of ISBs to set training standards.
- It believes that the consolidation of all public vocational provision in the one sector will enable the development of more seamless training and education offerings, to the benefit of both learners and employers.
- Supports proposed overhaul of the VE funding system.

Proposal 2:

- It supports the proposal for a significant degree of centralisation at system level i.e. there is a definite need for the sector to operate and behave as a system rather than as a collection of fully independent providers. However, not sure that structural change will achieve the best outcomes for NZ.
- Centralisation must not compromise the ability of providers to be highly responsive to their regions and agile/innovative.
- Significant decision making rights must remain with regional providers in the new system, including operational matters not legislatively mandated the responsibility of central agency, providing fit-for-service learning and teaching facilities/equipment, engaging in applied research, delivering vocational training and education, responding to regional training/development/skill and applied research needs, managing international student recruitment and partnerships, operating CoVEs and fundraising/managing bequests.
- There is an urgent need in our view to invest in both leadership/management development as well as teacher training for academics. TANZ Accord strongly recommend that service units to address both of these areas of development be established as a priority by the new central agency.
- Recommends that no decision be made by government to mandate a single provider for online learning, if there is only to be one, but instead to require as a priority action the new central agency to conduct an arm's length evaluation of the current providers with a view to establishing a world class integrated on-line service, or to endorsing diversified delivery models within an integrated structured system.

Proposal 3:

- This model will need to acknowledge significant regional differences which impact the cost of delivery, including population dispersal and the socio-economic make up of a region's population.
- It will also need to acknowledge that there are many learners with high support needs, which are not currently being adequately met under current funding levels: particularly Maori and Pacific learners and learners needing mental health support.

TANZ ECampus

Contextual:

- Online learning grouping consisting of Ara, Northtec, Toi Ohomai, Otago Polytechnic, NMIT, EIT and UCOL

Negative:

- N/A

Positive:

- TANZ ECampus supports the vision for a more integrated vocational education system.
- TANZ ECampus aligns with the Minister's vision for Vocational Education.

Proposal 2:

- TANZ ECampus believe that online learning is a key issue for the new NZIST. It is a critical part of the future of learning to support choice, flexibility and innovation. It should be a fundamental element of the new NZIST's strategic plan development, rather than part of RoVE's organisational restructuring.
- Recommend no decision on online learning is made as a result of the consultation process.
- Decision should be made by NZIST once established, once it knows what a fit for future learning platform should look like.
- Submission provides a range of suggested criteria for future focused best practice learning:
- Ability to flex and respond to current and future learner needs through real world tools and applications, integrated with leading and responsive learning design.
- The internet provides architecture for access, participation and collaboration underpinned by internationally recognised cloud-based infrastructure and service partners.
- Support dynamic groupings, creation of value web, and provides flexibility and resilience to support future of work requirements for learners, businesses, and communities.
- Smart, clever systems are necessary and require critical mass to support personalisation while achieving critical mass to support big data analytics.
- Leverage leading national and international technology capabilities such as open source technologies, resources and tools.
- Technology to drive innovation and integration to support all vocational education purposes.

Other things to note:

- Would welcome opportunity to meet with the Minister, MOE or project team to discuss.

Southern Institute of Technology (SIT)

Contextual:

- SIT has been performing well under the current system, and receives significant support from the Southland Community including assisting in Zero Fees (pre-fees free) and subsequently free accommodation for first year learners. Through these and other initiatives, SIT has a substantial number of learners from other areas of New Zealand and around the world.

Negative:

- Completely oppose Proposal 2

Positive:

- Support proposal 1 and 3

Proposal 1

- *"SIT acknowledges the current difference in SAC and STM funding rates and our support of proposal one is qualified by the need for delivery rates to be financially sustainable."*
- SIT believes that current RPL and cross crediting sufficiently allow students to move around the country.

Proposal 2:

- Significant concerns about costs of a merger, based on Universities New Zealand the Australian NSW experience
- *"There is significant risk of monopoly behaviour from a single vocational education provider in the Institute. It is likely to result in higher costs, less flexible supply and funding qualifications which do not meet the needs of local employers. This will undermine student and employer decisions at a local level "*
- *"SIT submits that any structural change if it is to occur, should occur incrementally, preferably with a pilot addressing the ITPs at most risk to mitigate against the whole vocational sector failing "*
- *"SITs preferred position is to stay outside the amalgamation of 16 ITPs and operate independent of it, although purchase from it and contribute to it where applicable e.g. purchase centrally developed programmes and contribute to a network of CoVEs."*
- *"…leaving SIT (or indeed other well performing ITPs) outside a central body mitigates the risk for the sector and indeed country."*
- SIT suggests an alternative model to that proposed:
  - An Association of Institutes of Technology and Polytechnics NZ (AITPNZ) with a council consisting of individual provider chairs and stakeholder representatives with independent chair appointed by the Minister would sit over the ITPs.
  - This group would focus on issues such as developing long term strategic plan targets, programme and curriculum development at sub-degree level, standard setting, financial and academic recovery system support for individuals not meeting criteria and thresholds, etc.
- SIT supports much of Otago's proposals, with some points of difference.
- *"In our proposal all individual provider's assets are maintained at establishment."*

- SIT wants to ensure *"the criteria and process for selection of CoVEs must be open and transparent and the relationship with other providers should be similarly clear."*
- *"In general SIT supports the standardisation, not centralisation of a number of ITP systems including, but not limited to, Finance, HR and IT, to enhance cooperation through better systems alignment."*

Proposal 3:

- *"SIT submits that it is critical to implement a new funding system, which recognises:*
    - *Health and safety requirements which limit class sizes when training for especially industries of particular importance to the New Zealand economy i.e. primary industries, construction and manufacturing trades.*
    - *The need to implement a national Māori Accountability Framework to address under-achievement.*
    - *Challenges in sparsely populated, geographically isolated delivery areas.*
    - *Core provider requirements that should be covered through a base grant.*
    - *A fund which specifically recognises applied research.*
    - *Annual inflation adjustment"*
- Suggests the new funding system should be in place before structural changes, otherwise poor behaviour will be entrenched in the new system

Other things to note:

- SIT believes becoming part of the centralised entity would result in them lacking the ability to meet the needs of its community.
- The first half of SIT's submission was focused on the good they have done for their community, as an organisation, and for other ITPs.
- SIT believes that TEC needs more guidance from the government on how to undertake earlier interventions into TEIs before any chances are made.
- SIT believes that NZQA needs more guidance from the government to appropriately ensure quality and perform other statutory functions.
- SIT demonstrates interest in extending support to Taratahi.
- *"At the SIT Council meeting, and the meeting with the Southland community and stakeholders on 1 March 2019 in Invercargill, the Minister of Education confirmed that SIT would be able to continue delivering its SIT2LRN Distance Learning programme."*
- *"In SIT's case, given benchmarking figures which show SIT provides many of the ITP services at less than the ITP average, there is an expectation that centralisation might prove more costly for SIT."*
- *"Minister confirmed that SIT would be able to retain control of its cash reserves, which are* ▆▆▆▆▆▆▆▆▆▆▆▆▆▆▆▆▆ *should a centralised proposal be implemented…we propose that the Government include a clause in the relevant amendment to the Education Act 1989 that ring fences SIT's control over its assets."*

s 9(2)(b)(ii) OIA

Otago Polytechnic (OP)

Contextual:

- Otago Poly has been performing very well in the current system

Negative:

- *"Otago Polytechnic does not support:*
  - *the reform proposal as is to merge the current 16 ITPs into a single institution*
  - *the narrow definition of vocational education which excludes degree and postgraduate teaching and learning*
  - *the proposal that ISBs set assessment, undertake moderation, approve programme design*
  - *the proposal that Open Polytechnic be New Zealand's sole provider of on-line learning."*
- *"The proposed model as it stands is in the nature of a head office-branch structure with very high levels of centralised decision making over not only what is taught but also over operational and capital decision making and staffing matters. The inevitable bureaucracy inherent in head office-branch structures will seriously compromise flexibility and responsiveness of the "branches" as well as the motivation and abilities of the 'branches' to innovate."*
- OP questions whether the problems the Minister is trying to solve can be solved through organisational structure.

Positive:

- *"Otago Polytechnic supports:*
  - *the consolidation of workplace training and apprenticeships to institutes of technology and polytechnics*
  - *the establishment of industry skills bodies to set standards for vocational training*
  - *the commitment to a new "fit for purpose" funding system*
  - *the establishment of a vocational education system with an appropriate level of centralisation and appropriate autonomy for regional providers*
  - *preservation of the academic freedom of staff and institutions as currently provided in the Education Act 1989, contextualised to the new model*
  - *the establishment of a shared services entity for curriculum development for the system*
  - *the establishment of centres of vocational excellence as component parts of the new system."*
- *"Otago Polytechnic applauds the commitment to improve the vocational education funding system and recognises that putting in place a fit-for-purpose funding regime is a complex exercise which will require careful modelling."*

Proposal 1

- Concern as, *"there is a tendency for employers to want graduates who are trained to meet current needs, not necessarily future needs. It is essential that ISBs are tasked to ensure qualifications are always fit for future needs"*
- *"there is a tendency for employers to privilege technical/specialist skills with a narrow range of transferable skills that will not necessarily serve well the careers of individual learners. Therefore, the definition of skills must include transferable skills*

as set out in the Future of Work research, in order to ensure graduates are equipped to be part of a future focused workforce for New Zealand."

- *"We do not support the proposal that ISBs set assessments and undertake moderation. These roles are in direct conflict with the core work of teachers within the system and undermine academic freedom."*
- *"We are comfortable with ISBs being consulted as part of programme design, as is currently the case with ITOs."*
- *"We do not support the proposal that ISBs approve or co-approve programmes of learning."*
- *"We propose that each ISB be specific to the qualification grouping for each industry, and not omnibus bodies as is the case with most ITOs at present."*
- *"We believe that a priority role for ISBs once established will be to review progressively the Graduate Profiles of existing qualifications on the NZQF."*
- *"every three years there would be consistency meetings to ensure that delivery across the country meets the minimum standards as set by the ISB, the education requirements as set by NZQA and to enable providers to demonstrate the regional needs (including iwi/hapū needs) and how they work with their local industry to meet their needs…Changes in minimum requirements would be reviewed every 5 years."*

Proposal 2:

- Otago lays out potential piecemeal solutions to some of the issues with the ITP sector, for instance, *"variable quality can be addressed through clearer standards, better learning design, and through the upskilling of academic staff."*
- However, recognising that some centralisation is required for the system to succeed *"Otago Polytechnic proposes the establishment of a vocational education system comprising a System Head Office and a number of Regional Centres, in the nature of a "parent-subsidiary" model rather than a "head office-branch" model."*

System Head Office

- o *"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. "*
- o *"Delivery of vocational education and training and applied research is through Regional Centres"(Individual providers)*
- o *"The system is underpinned by a fit-for-purpose funding model which funds independently the System Head office and which funds provision, taking into account not only the regional context (socio-economic makeup and population dispersal) but also the full range of delivery approaches (on campus, on-line, in work)."*
- o The System Head Office *"will have a governance board which is skills based…and also reflective of key partners and stakeholders…and regional centres. It is envisaged that Government will appoint an independent Chair."*
- o The System Head Office *"will appoint a Chief Executive…The Chief Executive will establish a system leadership group drawn from leaders of the Regional Centres."*
- o OP suggests the Head Office be funded directly
- o System Regional Centres – Individual Providers
- o They will be *"separate legal entities and will retain their current special character."*
- o *"The Regional centres will have a small (4-6 members) governance board"*

- o *"Centres will be directly funded for approved delivery, including research to support degree and post graduate programmes, and other approved activities."*
  - o *"The model embraces the concept of 'earned autonomy' i.e. the System Regional Centres are provided with full decision rights based on educational and financial performance."*
- *"Whilst Otago Polytechnic supports a shared curriculum service we do not support a shared curriculum development process that fully standardizes detailed course design and that requires delivery through pre-packaged lessons."*
- *"Otago Polytechnic strongly supports the establishment of Centres of Vocational Excellence (CoVE)….Otago Polytechnic has significant strengths in several curriculum and research areas and is interested in hosting several CoVE."*

Proposal 3:

- OP suggests the new funding system include: a base grant for infrastructure at campus and sub campus level, a population dispersal grant to recognise regions with low population densities, a social index grant to recognise the socio-economic makeup of regions, additional funding to support students with mental health issues, and additional funding to support Māori and Pasifika achievement

Other things to note:

- *"We do not support the proposal that Open Polytechnic be mandated as a matter of preference as New Zealand's sole provider of on-line learning. Rather, we strongly recommend that no decision be made by government to mandate a single provider, if there is only to be one, but instead to require as a priority action the new System Head Office to conduct an arm's length evaluation of the current providers with a view to establishing a world class integrated on-line service, or to endorsing diversified delivery models within an integrated structured system."*
- *"Otago Polytechnic does not support the proposed definition of vocational education, which we see as too narrow and which fails to recognise that many professions require degree level education for entry to the profession."*
- *"Otago Polytechnic supports a degree of centralisation of Applied Research as part of the reformed VE system."*
- *"We are proposing the establishment of two professional development centres: an institute for leadership and an institute for teacher education."*
- OP recommends reconsidering the roles of NZQA and TEC when many of their current responsibilities are transferred to the system head office
- OP recommends "that there be a phased transition to the new system: three years for the transfer of industry training/apprenticeships to ITPs and a minimum of two years in which current ITP providers continue business as usual."

Wellington Institute of Technology (Weltec) and Whitireia Community Polytechnic (Whitireia)

Context:

- Weltec and Whitireia have shared a council for several years. This council was recently disestablished and a Crown Commissioner was put in place due to poor financial performance (largely from Whitireia)
- They have applied to the Minister to formally merge, but in the context of RoVE this was denied for the time being.

Positive:

- *"In broad terms we support the RoVE proposals as an integrated package of reforms. RoVE presents a "once in a generation" opportunity to create a 21st century vocational education system that will truly underpin the growth and development of a strong, healthy economy and society. This opportunity must not be lost."*
- *"It is crucial that the three proposals are implemented in an integrated way."*

Proposal 1

- *"ITPs (albeit in a different form) are well placed to operate effectively in an integrated system that supports both off job and on job trainees."*
- They agree with the proposal to make vocational education providers responsible for delivering and supporting all vocational education and training.
- They agree with the creation of ISBs and their role to set skill standards
- They agree with the creation of CoVEs in principle, subject to further detail

Proposal 2:

- They agree with the creation of the NZIST
- Notes risk centralised model creating a slow moving, innovation stifling organisation that isn't responsive to local needs
- *"Any integrated national institution must enable substantial accountability and authority at local level to engage meaningfully with regional partners….Decisions regarding teaching and learning (including student support) should be made as close to point of delivery as is practical and achievable. Other services should be standardised and centralised to extent that it is efficient and practical to do so."*
- Notes the significance of the creation of, and perception of, the new NZIST as a new entity rather than a conglomeration of the current ITPs.

Proposal 3:

- *"Funding levels must be set at levels that reflect the cost and value of provision irrespective of type."*
- They are concerned that there may be a new division in the system between "vocational" and "non-vocational" education, which they would not support
- *"A significant degree of volume based variable funding is inevitable and appropriate. However, a revised funding system must also provide some quantum of funding which is secure over multiple years and has mid/long term strategic performance measures not short term tactical measures….measures, timeframes and responses to failure must support, not punish, innovation, collaboration, and regional engagement."*

Manukau Institute of Technology (MIT)

Context:

- MIT currently has an independent financial advisor in place.

Positive:

- *"MIT supports the establishment of a single central organisation bringing together the 16 ITP and 11 ITOs.*
- *"MIT strongly supports the creation of a unified vocational education funding system and looks forward to playing a part in the creation of that system. MIT is of the view that whereas proposals 1 and 2 are clearly interdependent, proposals 3 can and should be pursued whether proposals 1 and 2 proceed."*

Proposal 1

- MIT believes that the NZIST taking on the arranging training function will lead to greater clarity for learners and employers

Proposal 2:

- *"The real Council of the new NZIST must be appointed a.s.a.p. so that they can engage and then make decisions with which they will have to live and for which they will be accountable."*
- MIT raises concern that "regions" could begin to reproduce competitive behaviour (such as regional campuses continuing to compete in Auckland.)
- MIT recommends national, region, and campus leadership, and that there be significant discussions around what services and responsibilities should be attended to by which level. They have drafted some ideas which are included in their proposal.
- *"MIT proposes that there be an option for a CoVE to adopt a virtual membership model"*
- *"MIT proposes that each CoVE be expected to include international academic expertise to ensure that NZ curriculum is informed by international best practice. "*
- *"The approach to national curriculum development should:*
  - *use approval and review mechanisms that give NZIST delivery campuses opportunity to contribute to the deliberations*
  - *provide for tailored adaptations – within the programme's learning outcomes – to fit local contexts and meet localised needs.*
- *"MIT supports the inclusion of Wānanga within the CoVE framework"*
- MIT notes curriculum design must also systematically address qualities which will prepare learners for the Future of Work/Disrupted work (ie, tech literacy, social dexterity, cultural intelligence, etc.)
- MIT believes the proposal provides an opportunity for more streamlined marketing to International learners
- *"MIT is clearly of the view that regions should be based on:*
  - *clear geographic groupings;*
  - *have responsibility for advising a smaller group of NZIST providers;*
  - *exhibit a clear focus, particularly but not exclusively, on the communities and major industries represented in the economies of the region;*
  - *of a size that is fit-for-purpose to achieve the above;*

- o *a capacity to develop and maintain a loose connection with other regions and with major representation of industry that has an important but a more minor presence in those regions."*
- MIT suggests a "Greater Auckland Area" region including MIT and Unitec
- MIT does not support continued out of region provision
- MIT is interested in having CoVEs in Maritime Education and training, Multiple Pathways and Transitions (including Secondary/Tertiary Education and Training), Refrigeration and Air Conditioning Developments and Training, Pasifika Community Education and Training, and Nursing and Health Studies.

Proposal 3:

- MIT believes this proposal should be the priority
- *"the Government needs to consider the following points:*
  - o *A core base of funding that is not dependent on student volumes*
  - o *Funding which is flexible enough for a student/trainee to pick courses and programmes that meet their needs, rather than being locked into programmes the ITP pushes because they are sustainable*
  - o *Funding which incentivises partnerships EFT funding is easily shared between providers to leverage off each other's strengths (e.g. between an ITP and PTE)*
  - o *Multi-year funding that incentivises investment and the trialling of new programmes and innovation."*
- They would like ITPs to have more autonomy over price according to demand. *"Pricing controlled at the centre does not stimulate demand driven pricing"*
- *"Penalties for non-achievement of diversity targets do not help institutions improve. Extra support should go into those institution not achieving educational success targets. Enhanced equity funding, for instance, would incentivise the new institution to raise participation and achievement outcomes for priority learner groups"*
- *"If an ITP is required to offer broad based provision then it must be funded to do that, rather than simply targeting courses where there is sustainable demand. Measuring their success against PTEs with very narrow areas of provision does not provide an accurate measure of overall performance"*
- *"Funding for Industry Skills Bodies (ISBs) should be a mix of Government and industry funding to ensure the ISB remains responsive to the sectors /industries they represent."*

Other things to note:

- *"MIT recommends that the review addresses the consequential changes to external quality assurance processes that would arise from having NZIST. For example, some existing processes are assumed and are designed to draw comparisons between legally separate entities e.g. External Evaluation and Review (EER) or assume localised curriculum (e.g. Moderation and Consistency Reviews). The existing processes would not fit NZIST."*

Universal College of Learning (UCOL)

Positive:

- *"UCOL is not broken, we are a high performing Regional ITP and we are ready to lead in the reform of vocational education in New Zealand."*

Proposal 1

- *"We support Proposal 1 of the reforms."*
- *"We support the role of Industry Skills Bodies in advising on the development of qualifications and the quality assurance standards."*
- *"We recommend that all nursing training and all teacher training to secondary school level be undertaken through in-work models within ITPs."*
- *"We support the role of Industry Skills Bodies (ISBs) in advising on programme mix, defining industry-relevant standards and assisting to quality assure deliverables."*

Proposal 2:

- *"UCOL supports the formation of Regional Leadership Groups that include Iwi Māori, Pacific and key international relationships."*
- *"We support a balance of decision-making between the central Governance body and the Regional Chief Executive/Leader."*
- While UCOL support centralised curriculum development, they believe there should be some flexibility to alter the programmes to better fit with the region's needs.
- UCOL wishes to have CoVEs for Healthcare and Social Assistance (including Nursing and Social Services)
- *"We recognise that we have the capability and track record of regional integration to include the Taranaki Region, along with Hastings and Napier, in our Rohe. However, we signal caution in relation to the latter two…A slight increase in the current UCOL/Central New Zealand Rohe size is manageable within a relatively short timeframe due to our experience in undertaking such integrations. However, we caution against mixing urban/rural needs, and creating territories that are too large to manage well."*
- *"We recommend integrating new education, training and applied research programmes into UCOL to support the Agricultural Industries due to the economic structure of this Rohe…For example, UCOL delivering EIT or NMIT viticulture and oenology courses in the Wairarapa Region. As well as collaborative applied research projects."*
- *"We support a structure that appoints a Regional Chief Executive/Leader to each Rohe. This is due to a number of factors: (1) Each Rohe will require some decision-making authority, within the context of a complex organisation, facing complex organisational needs. This requires a substantive leadership position in the Rohe. (2) In order to maintain high level regional relationships with Iwi Māori and Pacific Peoples (Matai etc.), Local Government, other Chief Executives and Officials etc., the role will need sufficient gravitas (and decision-making authority) to gain access to, and competently manage, stakeholder relationships. (3) Regulatory frameworks such as the Health and Safety Act will require management at the Rohe level, this requires Officers — not Managers. (4) Any centralised entity will be a single point of sensitivity in the collective, having a framework of CEOs establishes succession, and makes the system more resilient."*
- UCOL does not support the name "NZIST"

- UCOL has its own online IP, and would like to continue to use it, either by assimilating it with Open Poly's IP or as a competitor to keep OP focused on innovation

Proposal 3:

- *"We support the Minister's Proposal 3, for a unified funding system"*
- *"We are not comfortable with measures such as decile rankings or indices that discriminate amongst students and diminish dignity. We advocate for a well-funded student support system, that is individual needs focused and accessible to all."*
- *"We support a focus on base funding that gives stability, with a contribution model that encourages excellence in delivery and the development of revenue streams independent of Government funding."*
- They support a different funding rate between the regions and urban areas
- *"We propose a pooled fund for applied research to be undertaken by ITPs, in collaboration with industry, to ensure our relationships are engaged and relevant."*
- *"We propose a social investment model in relation to transitional education to ensure that no New Zealander is left behind. This model should include the provision of a national system of health and wellbeing professionals made accessible to the students of ITPs."*
- *"We believe it is unwise to determine the funding system prior to decisions relating to the architecture for vocational education delivery in New Zealand."*
- *"Funding should support the flexibility learners need to access lifelong learning opportunities. Each Region should be able to develop and deliver non-government funded education and training (such as professional development, and peer to peer learning opportunities)."*

Other things to note:

- *"Our submission requests clarity around Region and structure, and reassurance to our staff of their long-term future as we are now having trouble with talent-drain due to unease over the reforms."*
- *"We strongly recommend investing in, developing and implementing a sector-wide staff capability framework, immediately. This would include training in the skills to adapt to a changing environment, as well as individual personnel plans to assist staff to adapt to the new structure and delivery models. The framework should encompass teaching, research and professional staff. We consider this an important commitment to the Minister's ethos of upskilling New Zealanders. It will inspire staff and encourage retention"*
- *"UCOL supports a co-design approach with NZQA and TEC to evolve the current national curriculum."*
- *"UCOL supports change as long as all three of the proposals are implemented. To change the structure without changes to roles, and changes to the funding would not provide benefits to education, training and applied research and development."*
- *"We support centralising international marketing and enrolment as this will ensure there is consistency with enrolment assessment. We question the ongoing role of Education New Zealand and would prefer to see this process managed by any central ITP structure."*
- *"We propose a national professional development plan for all personnel in ITPs, that invests in their retraining in preparation for transition, and that has a robust framework for annual development going forward."*

Waikato Institute of Technology (Wintec)

Wintec has provided it's submission as a collection of recommendations, with context and comments surrounding the recommendations. The recommendations are in full in the table below. Additional notes from the submission are provided beneath the table.

Number	Subject	Recommendation
Future Critical success factors		
1	**Iwi and Māori Responsiveness and Accountability**	Consult constructively with Iwi at a regional level to define the most appropriate way to maintain the current Waikato partnerships and responsiveness to Iwi and Māori needs.
2	**Learner Needs**	Establish a clear communications strategy alongside announcements regarding government decisions about ROVE to reassure domestic and international learners that vocational training will remain a valid and valuable tertiary education option.
3	**Industry needs**	Alongside government decisions on ROVE, confirm to stakeholders in regions that there will continue to be regional vocational provision, that Industry needs will be enhanced through the reforms, and that existing structures, alliances and subsidiaries will continue to play a significant part in delivering regional character and responsiveness.
4	**Higher Level Provision**	Confirm that higher level provision will remain an integral part of the vocational training sector, including in the region.
5	**Vocational Sector Funding Model**	Consult constructively with Wintec and other regional providers in developing a nuanced funding model that allows vocational training appropriate to learner and industry needs in the 21st Century, and allows fluctuating demand to be managed without compromising quality.
6	**National and Regional Responsibilities**	Consult constructively with vocational sector stakeholders to fully understand and codify the appropriate functions of the proposed new organisations
7	**Regional and National Interactions**	Consult constructively with stakeholders to establish appropriate relationships, interactions, and rules of engagement between the proposed new organisations.
8	**Regional Leadership and Connectivity**	Define the composition and functions of Regional Leadership Groups with appropriate clarity to facilitate their initiation but enough flexibility to respond to regional needs
9	**Naming the NZIST**	Commission a properly briefed and executed process to develop the name and Brand of the NZIST
10	**COVEs**	Establish a national network of COVES that reflect existing areas of national vocational leadership in high value sectors
11	**Performance Indicators**	Establish appropriate performance indicators to track the success of the reforms pre, during, and post the ROVE reform process
Transition		
12	**Learners, trainees, and students**	Establish clear communications that reassure existing students that their courses will continue and qualifications awarded, and prospective students that vocational training will be an increasingly attractive option.

13	**Staff**	Establish ongoing communications that reassure staff that changes for them will be identified, communicated and implemented over a defined time period, and that this will be managed sensitively.
14	**Subsidiaries and Associated Organisations**	Clarify that subsidiaries and partnerships will continue to be managed in accordance with their purpose and charter through the transition
15	**Timing**	Establish and communicate a timeline of change, and look for best practice in the implementation and integration of systems.

Other notes:

- Wintec strongly supports the concept of CoVEs, and believes it would be well place to host CoVEs in: Dairy and associated processing, logistics, and engineering; Health and Wellbeing; International; innovation; and Te Ōritetanga.
- Wintec oppose using "Skills" in the name for the new national body, as it's problematic internationally. Per above, they suggest a process to develop the name and brand.
- Wintec has provided a proposed breakdown of responsibilities

  o *"National ISBs: Develop qualifications and skill standards and co-approval with NZQA; Receive, compile and evaluate RLG recommendations for regional provision of training; Develop industry sector view of required provision nationally and regionally; Capstone assessment (where required)*
  o *National NZIST: Central Management and administration, including policy development (HR, ICT, Financial policy etc.); Programme Development (85% – 95% of programme content depending on the degree of customisation required for regional context and learner needs); Marketing – to prospective domestic and international students; Central Support services – including Finance, HR, IT (including systems such as Enrolment and Student Management Services, Learning Management Services etc.).*
  o *Regional NZIST Campus: Develop Annual Regional Delivery Plan; Programme Development (5 – 15% of programme to address local needs or context); Delivery of Education and Training, including foundation, under-graduate, degree and post graduate training; Research and associated activity in response to regional vocational issues and in support of post graduate education delivery; Pastoral care of students, trainees and apprentices; Accreditation of workplaces and assessors; Regional responsiveness, including responding to regional needs, subsidiaries and partnerships; RLG, Regional Iwi, industry and other stakeholder engagement.*
  o *Regional Leadership Groups: Compile data and intelligence in relation to regional labour market trends and needs; Compile stakeholder views; Develop regional provision recommendations; Liaison and advocacy with Regional NZIST, ISBs and other stakeholders outside the RLG."*
- *"The funding of the vocational sector must be less acutely sensitive to fluctuating demand... The model must allow vocational providers to identify and adapt to changing needs, and to retain sufficient resourcing to ensure academic quality is maintained…Funding must also explicitly enable innovation…Funding must support rather than constrain industry and employer engagement"*
- *"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…Iwi and Māori groups must form a key component of the RLG"

Careerforce

Contextual:

- Careerforce is the ITO for non-regulated health, mental health, aged support, disability, home and community support, social services, youth work, cleaning and urban pest management industries.
- 1000 employers and 20,000 trainees, 160 staff.
- Highly Confident EER, STM growth of 73% 2013-2018.

Negative:

- Believe there are alternative solutions that will best achieve the outcomes the government is pursuing.
- Current ITO system isn't flexible enough – *"model needs to be afforded the opportunity to achieve more without the financial, legislative and policy restraint that currently apply."*
- Urge Minister to consider the thoughts and expertise of those key to the success of delivery in the health and wellbeing sectors. "Take this appetite for reform and use the opportunity to instil a vocational training model that allows for innovation, agility and future strategic skill enhancement."
- Small amount of consultation on ITO work compared to ITP Roadmap 2020.
- Believe that the key driver for reforms is the ITP sector, even when the Minister told them otherwise, but have written submission on the basis it is for the benefit of the VET system.

Positive:

- Agrees that there should be higher levels of engagement with industry training in NZ, and employers need to have confidence that employees have the right skills.
- Pleased with potential re-inclusion of skills leadership function for ITOs.
- Agree that overhaul of the funding system is a positive and necessary measure.
-

Proposal 1

- Confirmed Minster Hipkins stated change for proposal one would likely happen over a longer time period, and that TEC CE said we want to encourage more employers into training.
- Government believes ITP failure has been caused by a crisis, that the structural setting that separates work based and provider based training has facilitated this. We found it difficult to find evidence for this. Our stakeholders have alternative views.
- Concerned about complex, wholesale change across the large industries they cover.
- Believes policies around overlapping provision could deal with that issue.
- Most of the ISB functions could sit within current ITO structure.
- Does not feel that industry and employers have limited influence on their ITO – feel this is more of a problem in the ITP space.
- Feels that current system offers enough flexibility in training to respond to employer needs.
- Noted that, while only 15% of employers are engaged in system, they are overwhelming choosing ITO training over ITP training (138,000 at ITOs vs 68,000 at ITPs – not sure which year)
- Concerned at the loss of employer/ITO relationships and industry integration.

- Notes that classroom based learning not appropriate for many of their learners, average staff age is 48 and low literacy/numeracy a major issue, ESOL
- Noted that the proposals don't seem to discuss L2 delivery through the ITO which is one of their most crucial levels – currently arranged by ITOs, 5000 people each year
- Careerforce is nearly entirely on the job training. Best placed through ITOs/ISBs.
- Their employers are concerned about their voice being lost, and don't understand some of the references like an ISB guiding TEC on purchase decision.
- Concerned that TEC will not listen to ISBs and will choose what to fund.

Proposal 2:

- Supports centralisation and rationalisation for the new NZIST to be financial sustainable.
- Amalgamation gives rise to significant risk, regional responsiveness must be a key consideration. Difficult to see how one institution could do this.
- Notes that some sectors/industries do require a mix of classroom and on the job learning – hybrid solution in some industries needs to be a better collaboration than it happens now.
- Focus on the areas where joint delivery between ITOs and ITPs is desirable and necessary, and then consider how funding and structural design elements could best be optimised to deliver this.
- Doesn't have a firm view on this, but believes the transition risks should be taken into account.

Proposal 3:

- Current funding model has led to the situation at hand in the ITP sector.
- Agree that overhaul of the funding system is a positive and necessary measure.
- *"A consolidated funding approach based on mode of provision rather than provider type will enable more efficient collaboration across the vocational training sector."*
- Current funding policies drive unintended market behaviours.

Other things to note:

- Careerforces consultation was a survey of 464 employers, key messages are summarised briefly below:
  - Major disagreed with the proposal to shift support of industry training to the new institute
  - Support for the ITP merger was split
  - Majority support new funding system
  - Majority disagreed with proposal to disband ITOs
  - Majority didn't want to work with single ITP over ITO
  - 59% have high level of concern over loss of sector voice
  - 63% have HLC about lack of consultation
  - 65% have HLC about disruption resulting from reform
  - 62% have HLC that costs may increase
- Also met with peak bodies.

Proposed pathway forward:

- Recommends design work with industry and sector stakeholders. Feels problem has not been well defined.

- A demand-led model is superior to the supply based model proposed. High risk of disengagement under current model.
- Wants ITOs to retain arranging training function.
- Consider how ITOs can better support employers.
- ITOs assume responsibilities of ISBS with the exception of purchasing advice to TEC, as this creates a conflict of interest.
- Centralise programme development by sector, rather than by location.
- Introduce funding equity to enable procurement between education providers at market rates.

Skills Organisation (Skills)

Context:

- Skills is the largest ITO, and the fifth largest tertiary organisation in terms of student numbers. It supports 22 industries, mainly across regulated trades.

Negative:

- *"The Government's review process has proposed wholesale change to the NZ vocational training system but has not provided any detail or adequately engaged with industry, employers and learners"*
- *"The lack of industry engagement and the absence of a clear problem definition pose significant risk for the economic development and social wellbeing of all New Zealanders, especially in a period of skills shortages."*
- *"Apprenticeships are a key employment pathway for Māori & Pasifika. Qualification completion rates and retention rates for Māori and Pasifika apprentices, are significantly higher through Skills than ITPs due to the holistic, hands on learning support. These communities will be disproportionately affected by the proposed changes, as they are over-represented in vocational training sector."*

Proposal 1

- *"Skills does not support the establishment of Industry Standard Bodies with the removal of arranging training function"*
- Disconnecting the arranging of training function from standard setting and industry leadership, will exacerbate vocational education system failure due to:
  - A loss in capability to match and invest in supply and demand
  - A loss of the ability for industry and employers to influence programme development
  - A loss in industry insight.
  - Disengagement of employers from the vocational system
  - Employers exiting the system all together.
  - A loss of connection between national leadership and regional delivery…regulators are likely to move to a self-certification model.
  - Uncertainty will damage the pipeline for skills in industries already experiencing skill shortages.
  - The proposed changes will not drive increases in the number of employers training
- Skills undertook a survey of 920 employers and found that 55% will either stop hiring apprentices or take on less apprentices due to lack of confidence in the proposed new structure. Lack of confidence was attributed to:
  - Lack of detail and cost information
  - Lack of faith in some ITPs due to the perception and prior history of employers' interactions with ITPs
  - Prolonged uncertainty due to system wide upheaval and a multi-year transition plan.
  - Lack of involvement. Genuine engagement (with industry) will improve confidence in the reforms
- *"Centralisation would break the connection between the trainee and the region."*
- They are concerned the new model won't allow the NZIST to innovate in the regions
- *"A more centralised system removes the ability to build confidence and close relationships with communities and whanau."*

- *"Under the current model, Māori and Pasifika achievement has increased significantly…The proposed changes to the VET system…will put this growth and momentum at risk."*
- They do not support the considerable cost there will be to undertake this change
- Skills believes that if the arranging training function is moved to providers, training costs will increase, as industry will be unwilling to pay the 30% workplace contribution, increasing costs to the government to ensure that places are available.
- They are concerned that the reforms may result in the alienation of industry
- They are concerned that the NZIST may not be able to support small, niche industry courses due to cost barriers.

Proposal 2:

- *"Skills supports the consolidation in the ITP sector to reduce the number of ITPs, but not the establishment of a single entity."*
- *"Shifting responsibility for workplace learners to providers as a way of 'fixing' the polytechnic business model through increased learner numbers will not address the fundamental shifts (in culture) that need to occur."*
- *"It is reckless and naïve to propose that a national merger of 27 organisations, each with their own culture, vision, practice and processes, will provide the nimble responsiveness, regional relevance and personal support needed to drive the recruitment of learners and employers into the VET system."*

Proposal 3:

- *"Skills supports a centralised and unified VET funding system for the right reasons"*
- *"Many ITOs have shifted away from including more substantial off-job components in their programmes because of affordability. Current industry training rates increasingly make the purchase of ITP provision unaffordable in many circumstances – to the detriment of ITPs. In other cases, through the preferences or realities of industries, all on-job options must be an allowable choice"*
- *"If a new consolidated funding system was well-instituted, it could enable ITOs to purchase more off-job provision and adequately pay more for it."*
- *"If implemented alongside the proposal to place provision and training arrangement with the same organisation(s) there is a very real risk in the gaming of the funding system to strike a balance of on and off-job training to optimise funding for the provider ahead of the skills needs of employers."*

Other things to note:

- Instead of the proposed reforms, Skills Organisation has a number of 'low risk' suggestions for strengthen the VET system. *"1. Increase demand through incentives and business development…2. Increase supply by connecting schools into the vocational educational system….3. Fix funding and success measures to increase co-operation…4. Have fewer, more capable ITOs… "*

New Zealand Marine & Composites ITO (NZMAC)

Context:

- NZMAC is the smallest ITO in New Zealand, with approximately 450 apprentices.

Proposal 1

- *"Introducing a 'provider' to take over delivery and support of trainees in an industry where no provider currently operates will undermine the close relationships the employers (who together make up the industry) have with the ITO."*
- *"NZMAC ITO is ready to become the Maritime, Marine & Composites ISB. We can continue to do this with an equal partnership with NZIST for on-campus training, noting that there is no overlap in the marine/maritime sectors and so the reforms would have no role here, nor achieve any efficiencies:"*
- NZMAC do not believe that moving in-work training to a provider will address the negative reputation of vocational education.
- *"The intent of Proposal 1 – to "extend the leadership role of industry" is noble and needed, but the mechanisms to achieve this are crude and likely to be ineffective. Worse they could have the effect of reducing the leadership role of industry. The intent that NZIST would be responsible for delivering and supporting all vocational education is problematic as it effectively decouples the connection between industry and the learner...In the marine and composites industry the delivery of training is overseen by NZMAC and critical training opportunities are recognised and enabled quickly through an intimate connection with the industry. Were this function to be transferred to a centralised provider, the industry connection becomes tenuous, not close, and NZMAC (as ITO or ISB) would be disconnected from both the training and the workplace; this will effectively undermine the trust that has been built up over many years."*
- NZMAC are concerned that the 'Field Officer' role would be watered down by the polytechnic, and they do not have any intimate knowledge of the marine industry. Additionally, they believe that the information gained by Field Officers when in the field would then be passed back to the NZIST, and would be unlikely to make its way back to the ISB, who would need that knowledge to provide advice.
- They don't believe that educators will be able to do the work of Field Officers, as they have vastly different skill sets.
- NZMAC notes concerns that providers would not be able to deliver "on job" training as part of a mix of work-based learning, the learners won't have jobs to go to.
- NZMAC is concerned that the TEC's requirement to 'give regard to' the ISB is not substantial. Additionally, they are concerned that the Provider will not deliver training where the ISBs advise it must be delivered (ie, on campus or in work)
- NZMAC are concerned that as a boutique/niche provider, their needs will ignored in lieu of larger industries.
- NZMAC does not believe the NZIST will be agile enough to respond to the changes required in their field.
- *"Employers will still 'train' but they may no longer 'qualify' their staff."*
- NZMAC suggests as most ITOs will become ISBs, a simple name change would suffice.
- They don't believe the system will work if the ISB is responsible to be the assessor, but has no input or control of the delivery.

- They are concerned that the provider won't be required to deliver the training the ISBs think is necessary, or the RLG might overrule them.
- NZMAC suggests ISBs could host a CoVE. In their case they argue they should host one as there is not activity in Marine in Composites in the ITP sector.
- They believe that the RLGs are unnecessary, duplicating work already done by MBIE, and that they weaken ISBs advisory role.

Proposal 2:

- NZMAC is concerned that even if the ITPs are merged, the way they operate will continue as before and the financial issues will continue. They would rather the government "let the ITP sector shrink to its natural size and leave the task of vocational education to those who do it better: the ITOs and the PTEs."

Other things to note:

- They are frustrated that they don't feel they were appropriately consulted before the consultation, that they didn't have enough time during the consultation, and that there isn't going to be time for substantial consultation after consultation/before full implementation
- NZMAC feels that the ITO sector is being altered only to assist the ITP sector, rather than due to any substantial problem in the ITO sector. If there is a problem in the sector, they feel there should have been more substantial thought put behind how to fix it, and this feels rushed and haphazard. They regularly point to the problem definition not being released until the final week of consultation.
- It is concerned that the staffing matters haven't yet been addressed, that it may lead to confusion and inappropriate distribution of duties
- They recommend:
  - ITO/ISBs being responsible for skills leadership in a meaningful way
  - A learner-centric model-specifically a requirement that providers working with on-job vocational learners be required to visit all learners, rather than just those at level 4 as their current requirements dictate.
  - Strong Pathways, built by ITOs or NZIST being involved from secondary
  - A new role for industry – incentivizing employers to take on additional learners
  - A partnership model between the ITO/ISBs and the NZIST. At this point they also recommend removing the rule that ITOs can only have up to 10% of their learners above level 4.
  - Consolidating the polytechnic sector to ensure its consistency and coherence.
  - Slowing down the process by addressing the amalgamation of the ITPs into NZIST first (for implementation in early 2020) to be followed by a more measured integration of ITOs and/or ISBs when the landscape is better known and understood
  - Strengthening standard setting but do it by increasing and enforcing powers of ITOs.
  - Avoiding the separation of arranging training from standard setting.

Primary ITO

Proposal 1

- *"We strongly support the ISB having the role of brokerage and of the ISB having the responsibility to define curriculum as well as qualifications."* Primary ITO's view is that brokerage must lie with the ISB largely because:
  o there needs to be a consistent feedback loop between the ISB and industry,
  o there are already strong relationships between the current ITOs and the employers which took years to build up
  o the ITPs are unprepared and unable to take on the role, and have failed their industry in the past. Additionally providers will promote their training product over others, so will not be able to be independent advisors.
- *"We support the CoVE concept and we need to undertake more detailed work on how and where this or these are created for the primary sector. We believe a close relationship to the ISB is essential."*
- *"There is an opportunity for ISBs to cover coherent pan-sector groups and be consolidated to say six in New Zealand. Government will need to be strongly prescriptive to achieve an optimum result and to avoid organic resistance to change. Fragmentation and proliferation of ISBs should be avoided so that scale, relevance and cohesion are not lost."* They also suggest several industries they think would better sit with them
- *"There should be clearly defined roles and a cooperative relationship for ISBs and COVEs, with ISBs setting the direction of the curriculum and CoVEs setting the details of the curriculum…ISBs and CoVEs in an industry must be well-aligned with appropriate interconnectedness and complementary, possibly through cross-membership of the governing boards. Consideration should be given to whether an ISB should own or govern a CoVE"*
- *"Workers, trainees and Māori need to have a place alongside industry, in the governance of the ISB, given their importance in training and their economic significance."*
- *"Industry Skills Bodies should have leadership of the skills system in their industry…When there is a difference of view between the ISB and NZQA or TEC officials, there should be a mechanism acceptable to industry to resolve those differences."*
- *"Industry stakeholders are likely to support recognition of a proposed ISB only on the condition there are effective governance arrangements in both the ISB and any industry-related CoVEs."*
- *"ISBs' responsibilities should include oversight of the whole of the learning pathway in their industry, including school-level and university and other degree-level programmes that relate to that industry."*
- *"ISBs should have the mandate to participate in the careers advice system, including engaging with schools."*
- *"As different industries have diverse structures, industry should be allowed to tailor its ISB recognition processes to its own needs."*

Proposal 2:

- They see the creation of a RLG as unnecessary as a Regional Skills Body is already being created for wider regional labour market planning. They suggest either not having RLGs or combining them with the RSBs.

Proposal 3:

- *"We welcome the intention to create a new funding system for VET. The design of that funding system needs to recognise the costs of both the on-job and the off-job components for the primary sector and, in particular, the need for adequate levels of employer-facing brokering and learning support services for on-job learners and for their employer-assessors."*
- *"Some primary industries already invest, or have the potential to invest, significant resource into the learning eco-system through the existing Commodity Levies regime."*
- *"If employer contributions are to occur, all employers should be contributing and those that are hosting training should be recognised/incentivised by way of a rebate/discounted rate of employer contribution. The tax system would seem to be the most efficient way to administer this. If employer contributions were to single out employers hosting trainees on their own, then it is likely that they would be discouraged from participating in the VET system."*
- *"Any new policy and funding settings must address the specific high-costs of primary sector training, the rapid pace of change, and the urgent need for more training in the sector."*

Other things to note:

- Primary ITO notes system risks during the transformation process:
  - The Risk to training uptake during the process
  - The risk to the primary sector VET of lower ITP capability
  - The risk that the status quo qualifications could overwhelm the need for micro-credentials and short, non-credentialed courses
  - The problem of owner/operators not being able to be funded at present
  - The problem of informal and non-formal learning (ie, some industry partners have non-formal learning capability and the government is overly focused on qualifications rather than creating and building skills.)
  - The problem of under-investment in training by employers
- *"As an ITO that has always collaborated with ITPs, we and our partner employers are continually frustrated by the fact that only 25% of providers use industry's unit standards as the basis of their teaching programs, while 50% of provider-based VET programs do not use any industry training standards."*
- *"Ideally, the new ISBs would support the best apprentices to progress to degree-level courses and the VET system should have a dual goal of vocational and academic achievement to facilitate this passage. Industry needs people with a combination of theory and practical skills."*

Skills Active Aotearoa (Skills Active)

Context:

- Skills Active is the ITO for recreation, sport, exercise, snow sport, outdoor recreation and performing arts.
- They have been vocally opposed to the proposals, especially the consultation timelines.
- As of writing they asked their lawyers to apply for judicial review of the consultation process. Additionally, one of their board members is considering laying a Treaty of Waitangi claim.

Proposal 1

- *"We strongly oppose Proposal 1…Vocational education for our industries will only be successful if the role of arranging and facilitating workplace learning and assessment remains with industry-driven organisations, whether they are called Industry Skills Bodies (ISBs) or Industry Training Organisations (ITOs)."*
- *"We fully endorse the proposed change to extend the leadership role of industry in the VET system through Industry Skills Bodies (ISBs)….We think this should be extended even further to being an 'Industry Workforce Development Body' (IWDB) which also retains the arranging training function for work-based training"*
- *"Another identified problem with the current system is the perceived conflict of interest for ITOs having a standard setting role and being funded to arrange training... we suggest this conflict of interest could be managed through having two separate funds in place – a workforce development/standard setting fund and a per learner arranging fund."*
- *"The success that current ITOs have with industry training is clearly linked to the relationships built with workplaces/employers over a long period of time….These relationships can't be trivialised, and it is impossible for them to be successfully passed over to a new, centrally-controlled entity."*
- They are concerned that the providers would not have in depth knowledge of the industries unique needs, and it would inappropriately result in a one-size-fits-all approach.
- They are concerned providers would naturally focus on classroom-based delivery and online programmes rather than real life scenarios.
- *"Employers will have less input into what their staff are being taught and assessed against."*
- They are concerned industry will face delays getting programmes up and running as they'll have to interact with multiple organisations (ISB and NZIST),
- They are concerned the new system wouldn't be responsive to Māori learner and stakeholder needs as Māori would also need to interact with multiple organisations
- *"the feedback we are getting from many of our employers – that if the new system is more complex, costly, centralised and impersonal, they will disengage from using nationally recognised standards and qualifications."*

Proposal 2:

- They support some rationalisation of the ITP sector, but not the creation of a single NZIST, as they don't believe the NZIST will be responsive and agile enough for industry. Additionally, they are concerned about access for their remove, regionally based-employers and learners.

Proposal 3:

- *"We note that if there is only one NZIST, then the whole notion of a unified funding scheme is redundant as there will be one principal recipient of all funding."*
- *"We support the creation of a unified system of vocational education funding that would share funding more equitably across on-the-job and class-based training."*
- They do not support an additional industry levy to fund ISBs

Other things to note:

- *"(we) strongly suggest that to restore faith and trust in the review process, you move immediately to:*
  - *a. Decouple Proposal 2 from Proposals 1 and 3. This would deal with the immediate and urgent issue of the sustainability of the ITPs. There is no immediate need to make the changes proposed in Proposals 1 and 3.*
  - *b. Co-design a system for industry training and funding that will drive collaboration and employee/employer engagement in vocational education. Involve industry, employers, iwi groups and trainees and apprentices in the co-design process."*
- When talking to industries about what they need for the VET system several themes emerged, *"The VET system must be industry-led…tailored to meet workforce needs…able to recognise and support the role of the workplace as a trainer….responsive and agile…cohesive…. affordable and recognise industry contribution…responsive to Māori learners and stakeholder needs. "*
- Skills Active has proposed a solution to the problems with the VET system:
  - Establish Industry Workforce Development Bodies (IWDBs) who have the roles of both ISBs and ITOs
  - Clearly "Define appropriate delivery models in qualifications and credentials"
  - *"Clarify the roles and responsibilities to arrange training and provide training."* Skills Active proposes that the IWDB should be involved in arranging cases where the learner is employed in industry, and the VET provider should arrange delivery in cases where the learner isn't employed.
  - *"Implement Proposal 3, establishing consistent funding rates for provision across the sector to enable collaboration and differential funding for standard setting and arranging."*
  - *"Implement more appropriate performance metrics that enable collaboration…We propose that performance measures should be based on the learner rather than the institute."*
  - *"Introduce an employer incentive scheme to encourage…employers to engage in vocational education…we suggest that this is made available to employers that are supporting the successful completion of trainees and apprentices, rather than an enrolment/engagement incentive."*
  - Introduce measures that reward successful completion of Māori trainees and apprentices.
- Skills Active notes that they sent a letter on 8 March to MoE with extensive questions to be answered, and have not yet had a response.
- They consider that there have been RoVE process concerns, specifically noting:
  - *"The six-week consultation period has been insufficient to allow for meaningful engagement on such a substantial proposals."*
  - *"Initial engagement with the industry training sector in development of the RoVE proposal was insufficient to inform such significant proposals."*

- o *"The lack of detail in the RoVE consultation document has made it difficult to provide either clear support or effective analysis of elements of the proposal."*
- o *"The presentation of a single proposal rather than a series of options in initial consultation does not suggest an openness to alternatives"*
- o *"There has been no meaningful consultation with Māori/iwi stakeholders."*

MITO New Zealand Incorporated (MITO)

Context:

- MITO is the Industry Training Organisation for the automotive, industrial textile fabrication, commercial road transport (including state sector and New Zealand defence force for road transport-related operations), stevedoring and ports, road transport logistics and warehousing, freight forwarding and distribution, extractives, drilling, gas, and resource recovery industries.

Negative:

- *"The proposal to enable qualifications to be completed in any setting, with learners able to move smoothly between work and study in different places, will result in inconsistent outcomes. Employers won't have confidence in graduate outcomes because skills developed solely within a classroom setting are not equivalent to the skills a learner would develop if they were practicing and applying that skill, in the workplace, on a regular basis."*
- They are concerned that employers are likely to disengage from industry training, exacerbating skills shortages.
- They are concerned that small niche industries will not be catered to by providers
- *"There is a fear that the proposed new system would mean a loss of individual focus on industries and their workforce development aspirations."*

Proposal 1

- *"We recommend an expanded role for the proposed Industry Skills Bodies to ensure consistent national delivery and adherence to industry standards across the vocational system."*
- *"We do not support transferring responsibility for workplace training and apprenticeships to vocational education providers."*

Proposal 2:

- *"We support proposal 2, and consider the financial stabilisation of publicly funded vocational education providers the most urgent priority."*

Proposal 3:

- *"We also support proposal 3, to create a unified vocational education funding system."*

Other things to note:

- There was substantial feedback around what was needed to succeed in the area of work place learning, including:
  - Control of the design of training programmes,
  - Providing pastoral care in an employment space, which requires a specialised mix of skills,
  - A seamless link with schools,
  - Credibility with industry, and
  - The ability to be flexible with training, both in terms of the mix of on and off-job training, the duration of the training, in building new qualifications to correspond with emerging technology, and the ability to transfer training agreements between employers.

- *"This submission also upholds the recommendations made in the Industry Training Federation's submission."*
- *"We urge the government to create a unified vocational education funding system and consolidate the ITP sector before considering any changes whatsoever to the ITOs."*
- MITO had seven recommendations for the proposal:
  - *"Consolidating (or reconfiguring) the 16 Institutes of Technology and Polytechnics as the most urgent priority."*
  - *"Creating a unified vocational education funding system and in doing so clarifying the roles of those within the system to remove overlap and encourage collaboration."*
  - *"Extending the leadership role of industry and employers across all vocational education, including provider-based vocational education, through Industry Training Organisations or the proposed Industry Skills Bodies."*
  - *"Not separating training from standard-setting. Rather, transferring to Industry Skills Bodies the vocational education providers' current role of providing and supporting workplace learning and assessment for work-based vocational education."*
  - *"Simplifying the system to ensure that it is agile, coherent and responsive to the evolving needs of industry and learners."*
  - *"Building employer incentives into the funding model to support growth in the system, starting immediately."*
  - *"Taking a staged approach and carefully reviewing all options and corresponding costs at pivotal milestones against any proposed new vocational education landscape."*
- They also had a 'counter proposal' for the VET system:
  - *"Create a unified vocational education funding system"*
  - Consolidate (or reconfigure the ITPs)
  - *"Extend the leadership role of industry and employers across all vocational education…by expanding the role of Industry Training Organisations"…ITOs or ISBs "legislated roles need to include:"*
    - *"Provide skills leadership, coordinating industry efforts to identify and address future skills needs"*
    - *"Provide advice to employers on workforce development, training options, career pathways and preparing for future skill needs."*
    - *"Promote educational and career pathways within individual sectors"*
    - *"Develop skills standards, qualifications and programmes"*
    - *"Uphold the quality of assessment."*
    - *"Develop learning and assessment resources for programmes that providers must use. Would include resources for training and assessment against individual unit standards where there is a need."*
    - *"Purchase training and provide pastoral care services to learners in industry training."*

ServiceIQ (SiQ)

Context:

- ServiceIQ is the ITO for the service sectors of aviation, tourism, travel, museums, retail and retail supply chain, and hospitality.

Positive

- *"What we support in the VET Reform Proposal:"*
  - *"Strengthened strategic skills leadership and standard setting."*
  - *"Consistent industry standards across the vocational system."*
  - *"Financial stabilisation of publicly funded vocational education providers (ITPs)."*
  - *"Unified-consolidated funding rates for on-job and off-job training."*
  - *"Funding strategically important delivery."*
  - *"Simplifying the vocational education system so it is more clearly understood and easier for employers and learners to engage with and navigate."*
  - *"Establishment of Centres of Excellence and Regional Skills Advisory Groups."*

Negative

- *"The level of potential disruption likely from the implementation of the Government's proposed VET reforms brings with it the high possibility of employer disengagement from credentialed learning."*
- *"What we do not support in the VET Reform Proposal:"*
  - *Transferring responsibility for workplace training and apprenticeships to vocational education providers."*
  - *Separating responsibility for industry standard-setting and the arrangement of industry training and apprenticeships."*

Proposal 1

- *"We consider that the proposal underestimates the importance of keeping the standard setting and arranging training functions together, and overestimates the capacity and capability of ITPs and the provider sector to effectively undertake the current ITO function of arranging training. It will also create significant disruption and risk that we believe, based on employer feedback, will see a negative impact (decline) on the numbers of New Zealanders in vocational training."*

Proposal 2:

- *"SiQ has no strong views on the proposed formation of the NZIST"* other than the issues they have with the broader proposal. ie, arranging training moving to the NZIST, timelines, etc.

Other things to note:

- *"Key concerns:*
  - *Current proposal lacks data-supported rationale, analysis, problem definition and quantifiable benefits of VET reforms.*
  - *Preference to work with a single entity – ITO one-stop-shop for their training needs; employers do not want to lose the strong relationships developed with ITOs and do not want to deal with multiple organisations and more bureaucracy.*

- o *Perceived diminished level of service to employers and trainees-apprentices and concern over skills and capability of providers in general to meet industry needs.*
  - o *Unlikely adoption of new VET system by employers and trainees;*
  - o *Employer preference for a staged approach to the VET reforms; what they want is the co-creation of a workable and enduring system for VET reforms.*
  - o *Confusion over who is the VET reforms customer – Government, Employer, Learner-Trainee?*
  - o *Concern over the idea of centrally developed qualifications and programmes vs the current ITO system.*
  - o *The current disconnect between Polytech focus vs ITO-Employer focus will broaden under the reforms.*
  - o *Likelihood of unnecessary complexity around workplace assessment*
  - o *Issue with loss of industry voice through the ISB role in recommending procurement of training with TEC deciding.*
  - o *VET reforms silent on talent supply and school transitions.*
  - o *Likelihood of inherent hidden-unintended costs to employers and loss of training IP.*
  - o *High likelihood of employers disengaging under the new VET system.*
  - o *Concern over consultation approach and timeframe for submissions."*
- If the Government progresses the proposals, they believe the NZIST should be created first, and subsequently a transfer of ITO staff and trainees moved to the new organisation.
- SiQ recommends either an 'incremental' or 'parallel' approach instead of the RoVE proposals:
  - o *"Make incremental changes with focus on the most problematic parts of the sector first, ie those ITPs in financial distress, then progressively address other issues." Or*
  - o *"Establish working parties in parallel to assist with defining the problem, inform decision-making, issue resolution and design for the rest of the sector."*
- SiQ has developed two 'variations' to the Government's proposals:
  - o Variation 1:
    - ▪ Suggests that ITOs become known as Industry Skills Organisations (ISOs) and retain the functions of both ITOs and the ISB. They also recommend that all providers and ISOs be required to work together to develop a system strategy, with relevant action plans.
  - o Variation 2:
    - ▪ Is very similar to the above, except they call for the creation of:
      - A "Skills Leadership Council" (SLC) which would "undertake structured independent skills leadership for the entire VET system…and (with the RLG) advise the TEC on purchasing decisions."

"A new group (possibly semi-autonomous, by including external members) would be established in the TEC called the Tertiary Investment Advisory Group, who provide advice and make recommendations to the TEC Board on VET"