



**Te Tāhuhu o
te Mātauranga**
Ministry of Education



**Tertiary Education
Commission**
Te Amorangi Mātauranga Matua

Redesign of the vocational education and training system

Proposals for public consultation

August 2024



**Te Kāwanatanga
o Aotearoa**
New Zealand Government



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Ministry of Education



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New Zealand needs a strong
vocational education system to
ensure our people, industries, and
communities can thrive.

The Government wants to hear your views
on its proposals to make this happen.

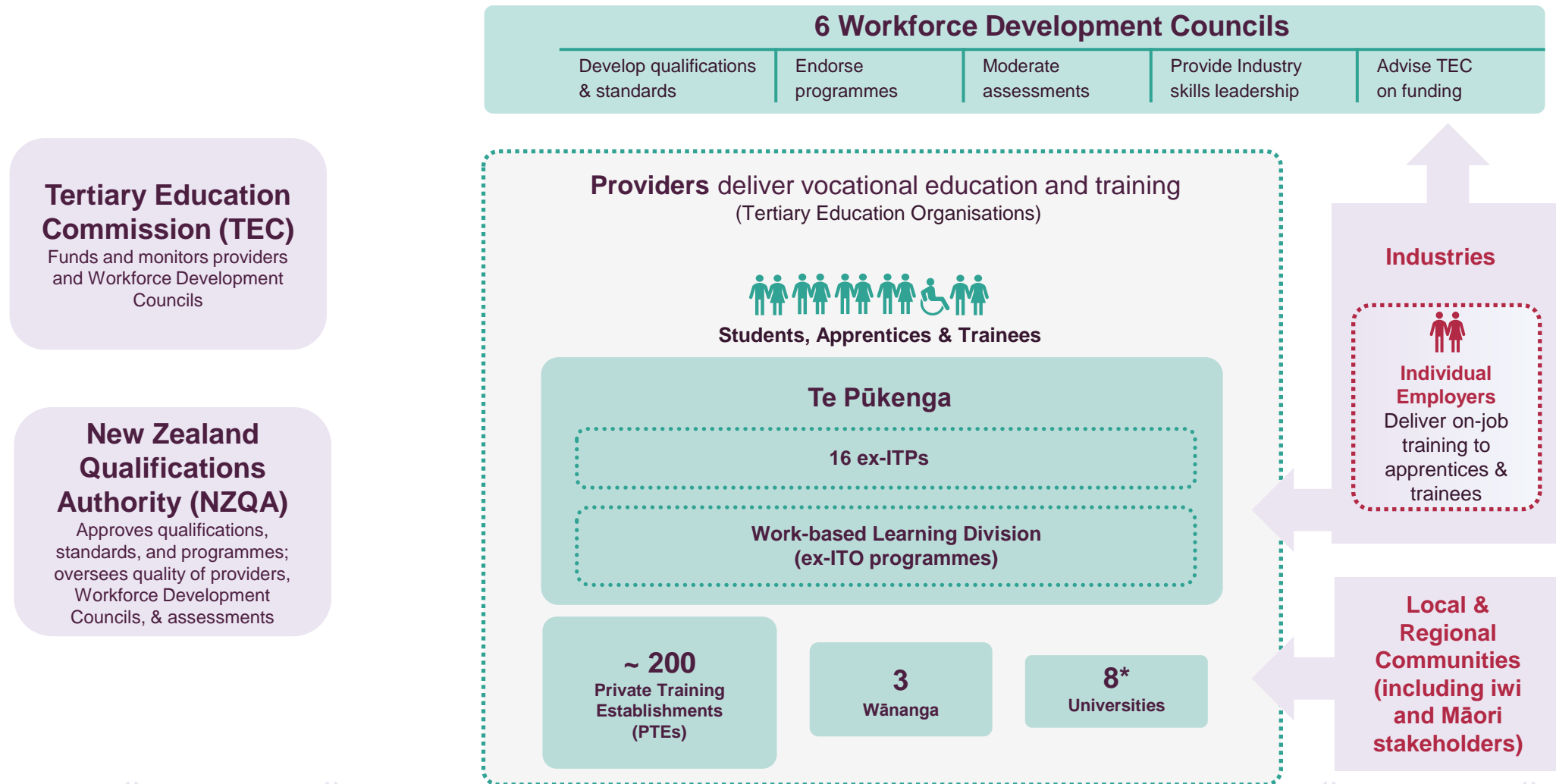
What is vocational education and training (VET)?

VET gives people the skills and knowledge they need to work in a particular job or industry.

- VET covers traditional trades like building, but also includes a wide range of other occupations such as health, design, and business.
- VET can be taught at a provider like a polytechnic (ITP), a private provider, or Wānanga, or directly in a workplace.
- In 2023 there were 128,000 apprentices and trainees learning in work and 127,000 students in vocational programmes at providers.
- Many VET providers offer foundation education, pre-employment and pre-trades training, providing critical pathways to employment.
- Some VET providers also offer degrees and postgraduate programmes and conduct research. This is especially important for ITPs / Te Pūkenga.



The current system



* Universities offer a very small number of VET programmes

Why is change needed?

- For a VET system to be successful it needs to be responsive to local needs, have industry buy in, and be financially viable.
- The ITP sector has been facing financial difficulties for over a decade, and neither Te Pūkenga nor funding changes have addressed this situation.
- Shifting most work-based learning into Te Pūkenga has created constraints on how this type of learning can respond to industry needs.
- Standard setting in the system needs to have a sharper focus on the activities that industries most value.
- The Government is proposing changes to support a more financially sustainable sector that better meets the needs of employers, employees, and communities.





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Proposals for consultation



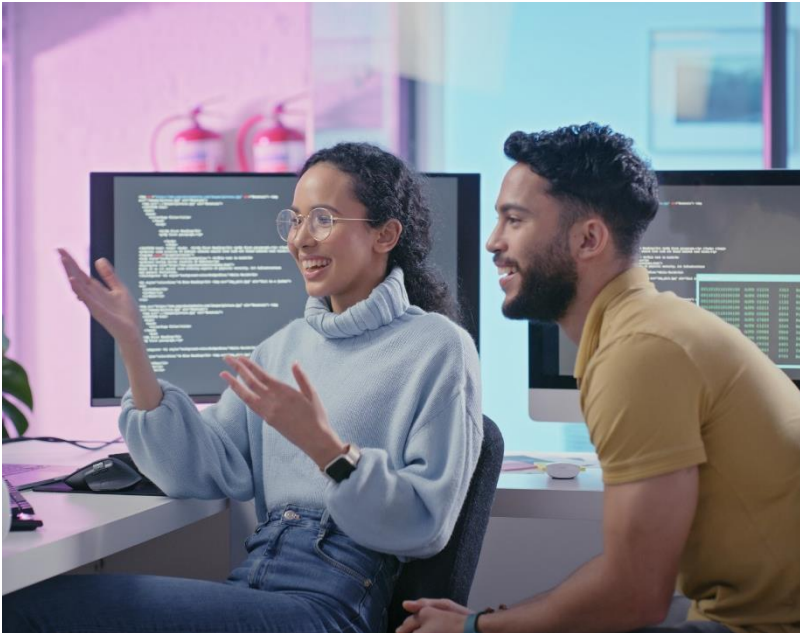
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Proposal 1

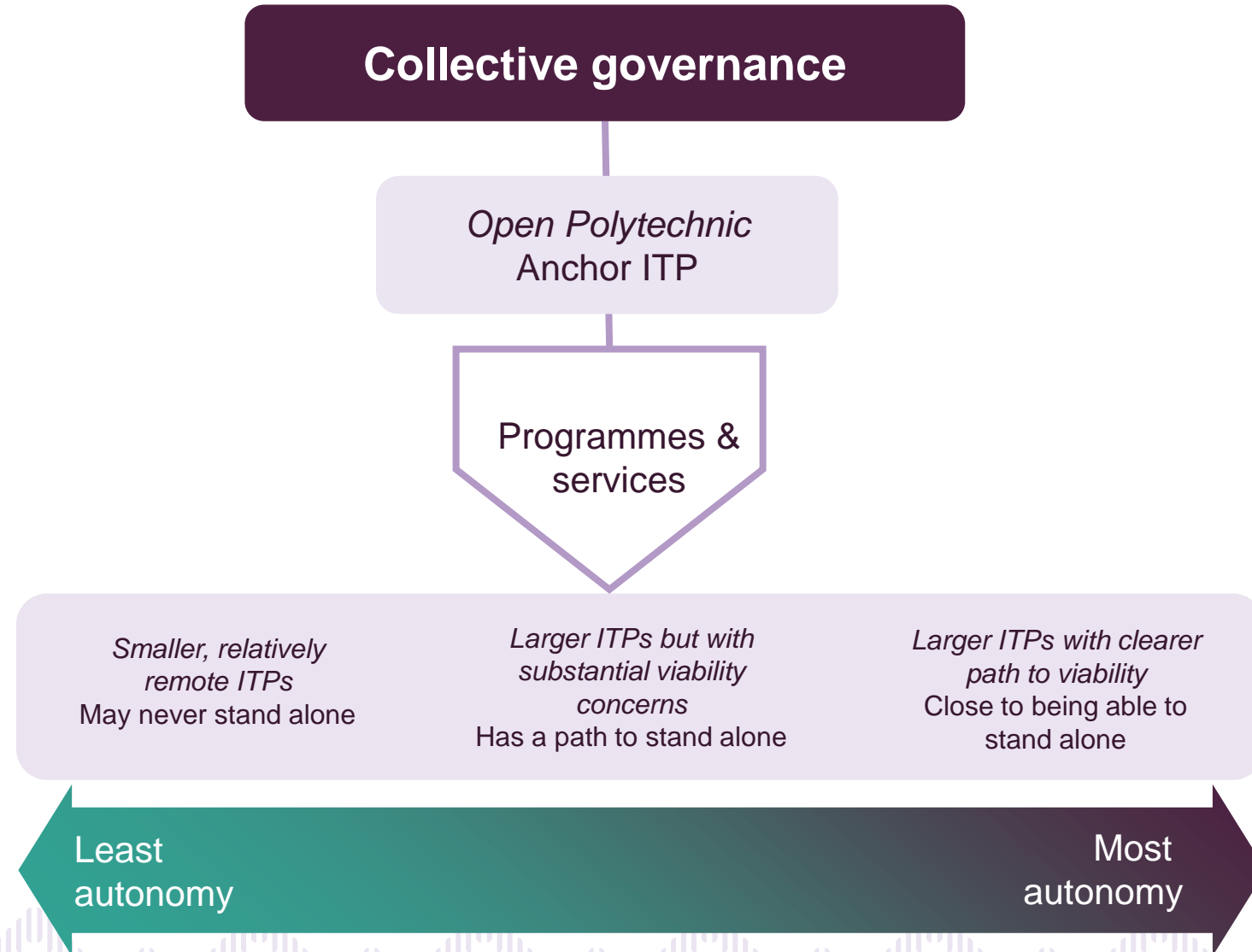
Creating a healthy ITP network that responds to regional needs

The Government proposes to:

- Re-establish independent regional ITPs that can show a robust pathway to financial sustainability.
- Establish a federation of ITPs, anchored on the Open Polytechnic, so ITPs that need academic and financial support can deliver courses and programmes to their regions with the support of other ITPs.
- Maintain core provision that is critical to regional communities, employers and economies.



Potential Federation Model



How the federation model could work

- The Open Polytechnic would be the anchor institution of the federation
 - The federation will utilise existing systems and processes of the Open Polytechnic and possibly other member ITPs
 - In contrast with Te Pūkenga, there would be no Head Office
- ITPs that are federation members would have access to varying levels of support depending on their circumstances
- There would be two layers of governance
 - In principle Councils for the individual ITPs would have as much power for local decision making as possible
 - However, federation members may have differing levels of local autonomy, to ensure core delivery in regions

Questions

- Do you agree with the consultation document's statements on the importance of ITPs? Why or why not?
- What do you consider to be the main benefits and risks of reconfiguring the ITP sector?
- Do you support creating a federation model for some ITPs? Why or why not?
- What are the minimum programmes and roles that need to be delivered by the new ITP sector for your region?
- What are the critical factors needed (including functions and governance arrangements) to best support a federation model?

Proposal 2

Establishing an industry-led system for standards-setting and industry training



The Government is considering two approaches for the structure of standards-setting and industry training.

Both proposed options would create the opportunity for a more efficient system, focused on the functions that industries consider most valuable and with greater industry ownership and involvement.

Under both options:

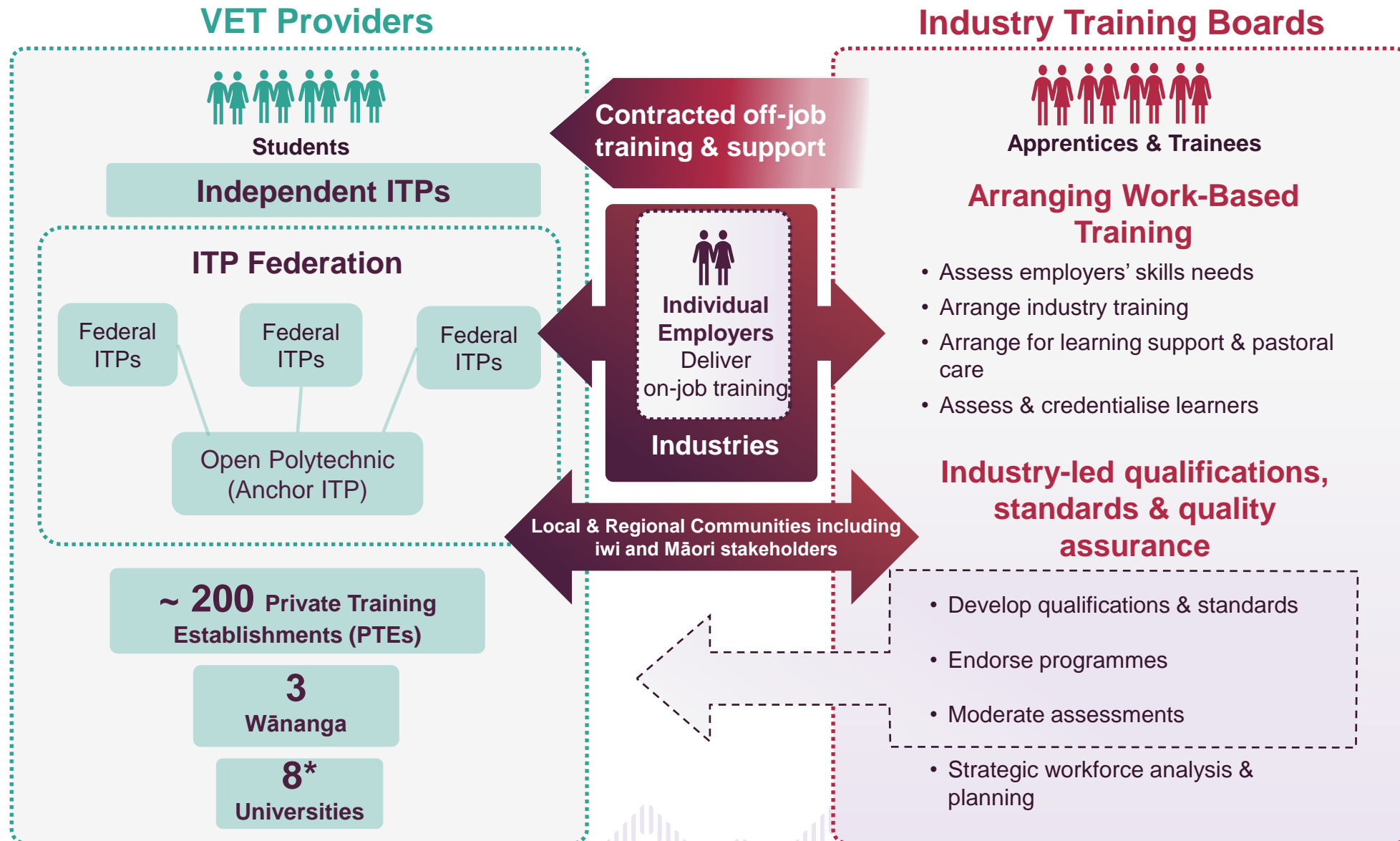
- Industry-specific standards-setters would not provide advice to the TEC.
- Some industries would not have industry standards-setters and would have education standards set by NZQA instead.

Option A



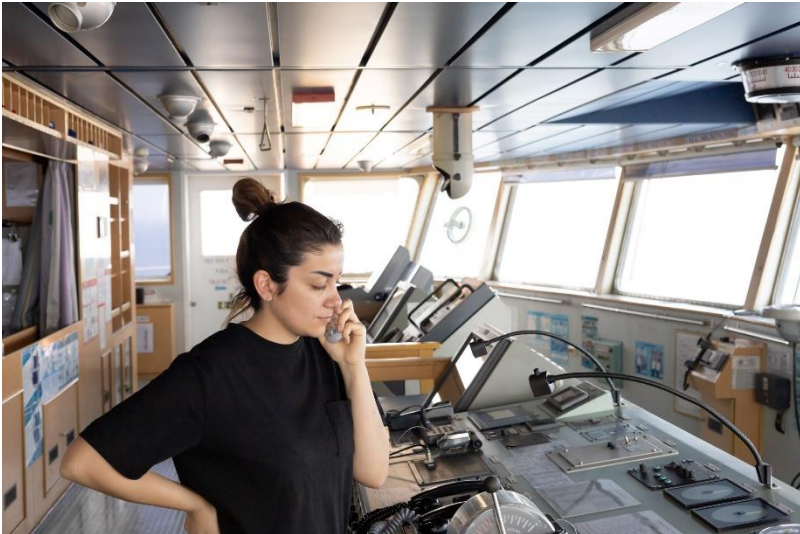
- **Establish a small number of Industry Training Boards, similar to the previous Industry Training Organisations (ITOs).**
- **Industry Training Boards would be responsible for industry standards setting and arranging training.**
- Industry Training Boards would take responsibility for existing work-based programmes offered by Te Pūkenga’s Work-Based Learning division and have responsibility for standard setting, qualification development and strategic workforce planning.
- To improve performance and avoid historic issues re-emerging, under this option the Government would clarify and strengthen:
 - Industry Training Boards’ relationship to providers, and issues such as the boundary between ‘arranging’ training and off-job delivery.
 - Expectations around the types of support that an Industry Training Board must offer to apprentices and trainees.
 - Expectations around standards-setting.
- There may be restrictions on who can offer industry training, as there were in the previous ITO-led system.

The Redesigned Vocational Education and Training System (Option A)



Option B

- **Stand-alone industry-led bodies would be responsible for standards-setting, including qualification development, workforce forecasting, and ensuring that provision meets industry needs.**
- **Te Pūkenga's Work-based Learning division would move into new standalone providers.**
- **ITPs, private providers, and Wānanga would continue to be able to offer industry training.**



The Redesigned Vocational Education and Training System (Option B)

Independent Industry Standards-setters

Develop qualifications & standards

Endorse programmes

Moderate assessments

Strategic workforce analysis and planning

Providers deliver vocational education and training
(Tertiary Education Organisations)



Students, Apprentices & Trainees

ITP Federation

Federal ITPs

Federal ITPs

Federal ITPs

Open Polytechnic
(Anchor ITP)

Independent ITPs

**Up to 8 former
WBL Division
units**

(New PTEs or TEO type)

~ 200

**Private Training
Establishments
(PTEs)**

3

Wānanga

8*

Universities

**Individual
Employers
Deliver
on-job training**

Industries

**Local &
Regional
Communities
Including iwi
and Māori
stakeholders**

Questions

- Which option do you prefer overall? Why?
- What are the main features and functions that industry training boards (Option A) need to be successful?
- Under Option A how important is it that Industry Training Boards and non-Industry Training Boards are able to arrange industry training? Why?
- What are the main features and functions that industry standard setters (Option B) need to be successful?
- Are there key features of the Workforce Development Councils that need to be retained in the new system?
- Are there key features of how the previous ITOs worked that should be re-introduced in the new system?
- What are the possible benefits and risks of having a short moratorium on new industry training providers while the new system is set up?

Proposal 3

A funding system that supports stronger vocational education

The Government is:

- Disestablishing the Strategic component of the UFS and using the funding to remove the lower funding rates for extramural delivery and increase funding rates for provider-based delivery in 2025 by around 10%.

From 2026 the Government proposes to:

- Restore funding rates to what they would have been under the previous Student Achievement Component (SAC) system, within the current level of overall funding for vocational education.
 - This would require repurposing some Learner component funding.
- Establish funding arrangements to support and incentivise ITPs to engage with regional industries and maximise the benefits of international education for regional New Zealand.
- Repurpose some funding from work-based training to fund industry standards-setting, to continue dedicated funding for this function.

These changes would see a rebalancing of funding for provider-based and work-based VET that will help improve the viability of provision that is important to each region.

Questions

- To what extent do you support that proposed funding shifts for 2026? What benefits and risks need to be taken into account for these changes?
- How should standards-setting be funded to ensure a viable and high-quality system?
- How should the funding system best recognise and incentivise the role that ITPs play in engaging with industry, supporting regional development, and/or attracting more international students to regions?
- What role should non-volume-based funding play, and how should this be allocated?

Concluding questions

- Could there be benefits or drawbacks for different types of students (for example, Māori, Pacific, rural, disabled, and students with additional learning support needs) under these proposals?
- Could there be benefits or drawbacks from these proposals for particular industries, or types of businesses?
- Are there other ideas, models, or decisions for redesigning the vocational education system that the Government should consider?



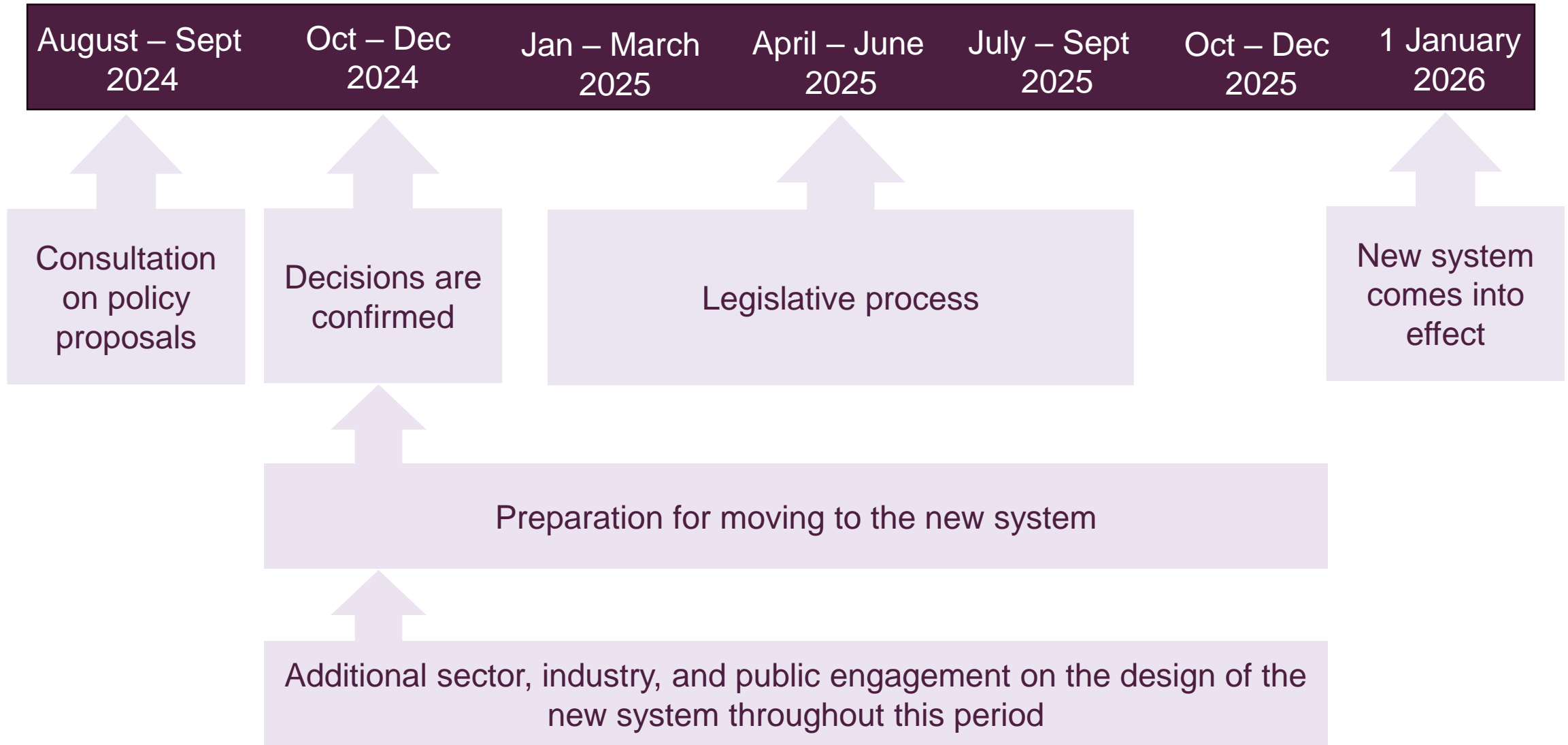
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What's next

Current estimated timelines



How you can give your opinion

The Government wants to hear your views on its proposals. The detailed knowledge and different perspectives of people across New Zealand will help us to get them right.

A consultation document with further information will be available on consultation.education.govt.nz from **August 1 – 12 September**.

You can give provide feedback through a submission link that will be hosted on consultation.education.govt.nz, a word template available for download, and by emailing VocationalEducation.Reforms@education.govt.nz .

Consultation closes Thursday 12 September 2024.



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He mea tārai e mātou te mātauranga
kia rangatira ai, kia mana taurite ai ōna huanga.

We shape an education system that delivers
equitable and excellent outcomes.



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o Aotearoa**
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