

# Recommended approach and structure for the Industry Training component of the Vocational Education System.

- Key Principles for successful Industry Training in the Vocational Education System**
- 1. Industry led/owned** - to ensure industry engagement and the relevant industry skills New Zealand needs to prosper and grow, now and for the future.
  - 2. Transparency of outcomes and funding investment** - aligned to increased learner progression and achievement, addressing workforce skill requirements.
  - 3. Strategic Collaborative Partnerships** - to ensure current and future workforce needs are met while driving innovation, engagement, & cost-effective solutions.
  - 4. Equitable and accessible pathways** - to ensure meaningful participation and success in industry training that is inclusive, equitable and enabling for Māori and Pacific learners, and learners with disabilities.
  - 5. Tripartite training agreements for industry training** (between the employer, the employed learner, and the industry training entity) - to deliver training and qualifications through service models that meet Industry, TEC and NZQA requirements.
  - 6. National approach via trusted brands** – to provide consistency, quality, portability, equity, access and coverage for employers and learners, regional responsiveness, & cost-effective solutions.
  - 7. Responsive and agile** – to ensure relevant standards and programmes and timely, innovative, responsive solutions.
  - 8. Stabilisation and certainty for the vocational education sector** – to secure the support of employers, return to industry focus for industry training and ensure more industries and employers do not withdraw their engagement or develop other options to the detriment of learners, productivity, and the New Zealand economy.

Principles developed from feedback from industry stakeholders and knowledge of requirements for building an effective and efficient vocational education system to benefit New Zealand.

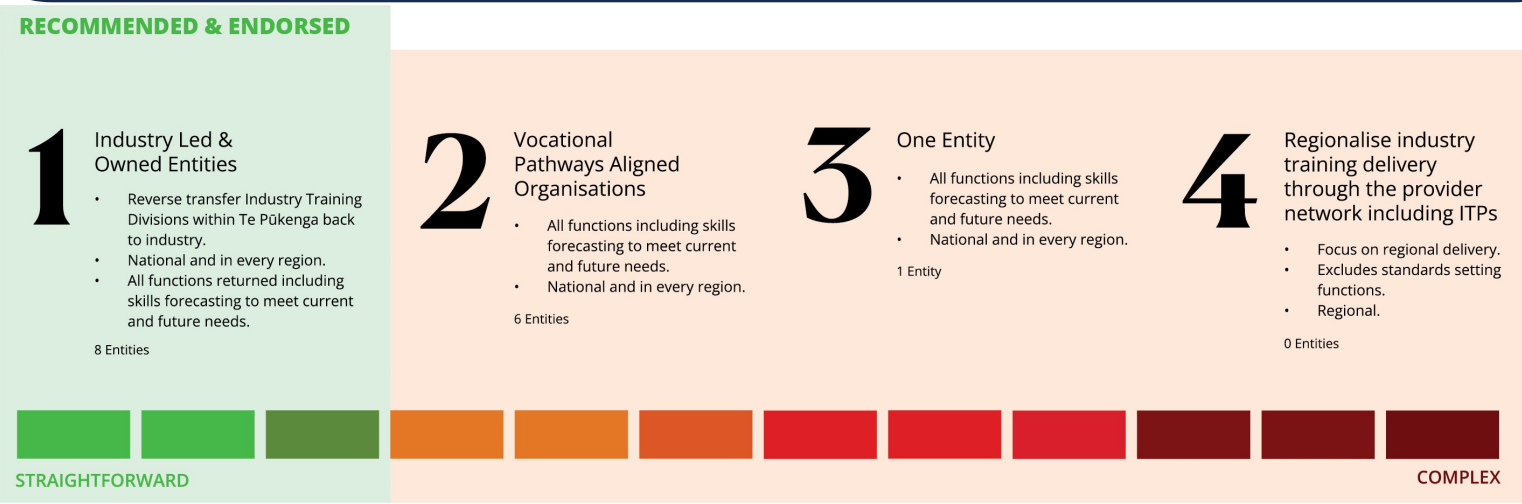
## Recommendation – Industry Training, designed by and for Industry

This evaluation and recommended approach is put forward by BCITO, Careerforce, Competenz, Connexis/EarnLearn, HITO, MITO, PrimaryITO, and ServiceIQ in response to a request by Strategic Advisors.

Our recommended approach and structure for the Industry Training component of the future Vocational Education system is to stand up **eight industry-led and owned tertiary education organisations** (National Skills Entities) aligned to the current Te Pūkenga divisions, responsible for standard setting, workforce development and arranging training.

We recommend that standard setting should be conducted by industry training entities, as this approach fosters closer alignment with industry practices on a national scale and is more cost-effective for the Government. Funding models must have flexibility to support all industries including smaller sectors.

We support greater transparency, accountability, and collaboration to facilitate the sharing of information, research, marketing, transition pathways for school leavers and schools, and opportunities for shared services that enhance the workforce development aspirations and achieve high quality outcomes for industry training.



## Summary of evaluation of options

For detail of the benefits, risks and opportunities covered in the evaluation, please refer to the full paper content.

**Option 1 - Stand up eight industry-led tertiary education organisations aligned to the current Te Pūkenga divisions, responsible for Standard Setting, Workforce Development and Arranging Training (National Industry Skills Entities)** has the least risk for the current ‘arranging training’ as there is minimal disruption to current learners and employers. It also reduces the number of previous ITOs from 11 to 8. One potential drawback is the need to accommodate standard setting that isn't currently aligned with any of the eight divisions, however this can be overcome by adding standard setting on a best fit basis to the eight entities. It should also be noted that option 1 does not mean just going back to the previous model of industry training. There is an expectation for transparency of outcomes and increased learner and employer support, especially to improve outcomes for Māori, Pacific and learners with disabilities.

**Option 2 - Stand up six industry-led tertiary education organisations aligned to the Vocational Pathways structure responsible for Standard Setting, Workforce Development and Arranging Training (National Industry Skills Entities)** is similar to option 1 but has a risk of disruption to the current ‘arranging training’ by aligning industries that are currently served by different divisions of Te Pūkenga. There is more disruption to current learners and employers that would need to switch entities they have training agreements with. This option is likely to take longer to put in place than option 1 but has the advantage of accommodating all current WDC functions.

**Option 3 – Stand up one industry-led tertiary education organisation responsible for Standard Setting, Workforce Development and Arranging Training (National Industry Skills Entity)** has a major risk of disengaging industries due to diluting industry ownership and of losing the voice of smaller industries in industry training. This is similar to the experience industries had when Work Based Learning Limited was operating as a subsidiary of Te Pūkenga, with a governance board. Smaller industries were not well represented within this larger organisation model. It also has a major risk of being a single point of failure for over 100,000 learners in one organisation.

**Option 4 – ITO delivery becomes integrated with ITP Delivery** has significant risks identified and has been discounted as an option that would allow industry training to continue successfully within the vocational education system.

## Assumptions

The options have been developed under the following assumptions:

- **minimise disruption** to learners and employers,
- **add value and be effective**/achieve quality-outcomes,
- be **appropriately funded** to successfully achieve outcomes,
- be **efficient and cost-effective**,
- be **speedy/straightforward to implement**,
- **retain industry knowledge and skills** within the education system, and
- be **sustainable**.

## Background

Industry training is presently carried out by **eight** Te Pūkenga business divisions.

Industry training serves **105,555 learners** across many different industries and **86 NZSCED**, with 12% of these having no ITP provision. ITPs have a similar number of learners, 109,245 across their network.

Industry training is different to other vocational education and training:

- **learners are in employment** and the training is completed under a tripartite agreement between the employer, learner and industry training entity.
- A unique model where **training is facilitated and supported by industry training entities** (WBL divisions/former ITOs) to ensure NZQA-approved training programmes delivered in the workplace via employers meet NZQA and industry standards, and to ensure the apprentice/trainee/learner is **supported to achieve a nationally recognised and industry valued qualification or competency**.
- Individuals learn while working under the guidance of **experienced professionals** in their workplace.

## Past success

- Prior to RoVE, Industry Training Organisations were responsible for the **standard setting and workforce development functions** now the responsibility of WDCs, as well as the **‘arranging training’** functions within the vocational system. The standard setting function involves setting, developing, and maintaining industry standards, developing NZ qualifications and credentials with constant national industry input, and providing workforce development strategies, along with moderation of assessment of learners and managing consistency of learning outcomes across NZ on behalf of NZQA.
- The success of the ITO model was that industry leadership and ownership meant industry took responsibility for driving engagement with standard setting and training to national standards, along with developing bespoke, **cost-effective service models** that met needs of employers across their industries, as well as meeting learner and system needs.