

# Understanding the Redesign of Vocational Education and Training System



**Skills for life wherever it takes you**

Engagement deck

1. Why developing people is essential for a strong Service sector and Aotearoa
2. What is being proposed?
3. Comparing the options for standards setting and industry training (Proposal 2)
4. Whānau, this is important – Have your say!
5. Questions to understand your views

# Why developing people is essential for a strong Service sector and Aotearoa

## 1. When we grow the Service economy, we grow NZ economy.

The Service sector (as covered by Ringa Hora) represents **one-third of New Zealand's GDP** and makes up a **one-third of the NZ workforce** and almost **half of the businesses** in New Zealand.

## 2. Our service skills are in demand, by all industries and all regions. By lifting Service capabilities, we contribute to all.

While a larger share of Services sector business are in Auckland (44%), Service sector businesses can be found across the country and continue to be major drivers of economic success in the regions. **Two out of every three people in NZ** have worked in the Service sector at some point in their careers.

## 3. Our productivity remains stubbornly low but our participation in credentialed, Government funded learning is declining.

The economic uncertainty and rising cost meant that lifting productivity and generating more value is more important than ever but less learners are opting to get a NZ recognised qualification, especially if it isn't regulated or mandated.

# About the Government's consultation

## What is happening?

- Government is consulting on the **Redesign of the Vocational Education and Training system**.
- This consultation relates to:
  - **future of training** for industry (including apprenticeships),
  - **regional business and community access** to learning and delivery,
  - **national standard setting** for industry; and
  - **funding changes** for learners, employers and providers.
- Feedback is due by **12 September**.

## Why this matters for my business?

Decisions made following this consultation will affect your **access to training**, the growth of a **skilled workforce**, and the government's **investment in future skills and workforce training**.

## How do I get involved?

- **Share** information across your network
- **Tell us your views**, and share your views with others that matter (e.g. Ministers, local MPs)
- **Make a submission** (a written submission OR a video submission in Teams/Zoom needs to be made for feedback to be considered)

# What is being proposed?

What the Government is proposing		What it means
<b>Proposal 1</b>	Creating a healthy ITP network that responds to regional needs	<p><b>Replacing Te Pūkenga with an 'ITP network'</b>, made up of:</p> <ul style="list-style-type: none"> <li>• <b>Stand-alone ITPs</b> – for those ITPs who <u>are</u> financially viable on their own; and</li> <li>• <b>An 'ITP Federation'</b> – consisting of the ITPs who <u>are not</u> viable on their own, supported by the Open Polytech.</li> </ul>
<b>Proposal 2</b>	Establishing an industry- led system for standards setting and industry training	<p><b>Replacing Workforce Development Councils</b> with:</p> <ul style="list-style-type: none"> <li>• <u>Option A:</u> <b>Industry Training Boards</b> – with similar functions to previous Industry Training Organisations (ITOs) – responsible for industry standards-setting and arranging industry training.</li> <li>• <u>Option B:</u> <b>More focused, industry-specific standards-setting bodies.</b> Under this option, arranging industry training is done by providers.</li> </ul>
<b>Proposal 3</b>	A funding system that supports stronger vocational education	<p><b>Making changes to vocational education funding</b> from 2026 to support the new system, with the aim to increase funding for provider-based learning, offset by reductions in targeted learner component funding and in funding rates for work-based learning.</p>

# Government's Proposals – Consultation on a Page

Note: This visualisation represent Proposal 2 Option A and Option B (taking Proposals 1 and 3 as given).

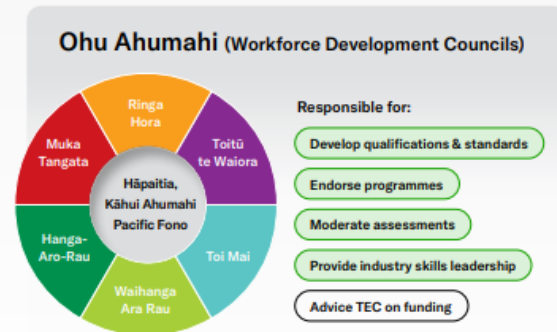
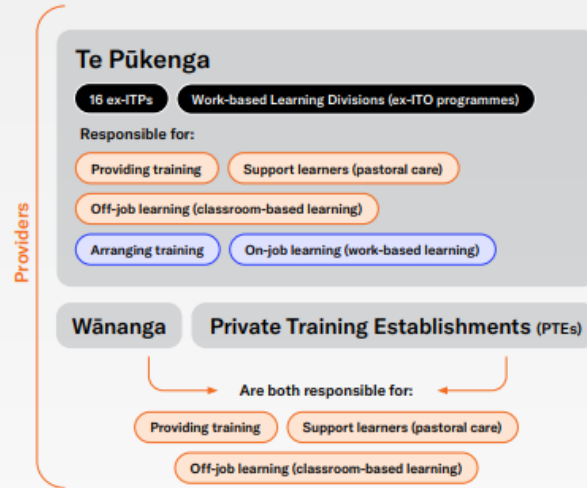
Look at this visual through this [link](#) or scan the QR code on your phone:



## Current state



## Future state



### Option A

Returning to an ITO-like system, with ITO-like Entity (ITBs) responsible for arranging training

#### Features

- ITP Network will focus on the delivery of off-job learning
- Arranging Work-Based Learning becomes the sole responsibility of Industry Training Boards (ITBs)
- ITBs also take over most responsibilities from Workforce Development Councils (apart from advising TEC on funding, which no longer has a place in the new system)
- Increase in funding for provider-based learning
- Reduction in funding rates for work-based learning

### An ITP Network

A number of stand-alone ITPs + An 'ITP Federation'

#### Responsible for:

- Providing training
- Support learners (pastoral care)
- Off-job learning (classroom-based learning)

### Wānanga

### Private Training Establishments (PTEs)

### Industry Training Boards (ITBs)



#### Responsible for:

- Develop qualifications & standards
- On-job learning (work-based learning)
- Endorse programmes
- Support learners (pastoral care)
- Moderate assessments
- Workforce analysis and planning (limited skills leadership function)
- Arranging training

### Option B

Establishing more focused, industry-specific standards-setting bodies, with providers responsible for arranging training.

#### Features

- Providers will remain responsible for training delivery, both off-job (classroom-based) and on-job (work-based)
- More focused, industry-specific standards-setting bodies will have more limited functions than the current WDCs (the 'advice to TEC' function no longer has a place in the new system)
- Increase in funding for provider-based learning
- Reduction in funding rates for work-based learning

### An ITP Network

A number of stand-alone ITPs + An 'ITP Federation'

#### Responsible for:

- Providing training
- Support learners (pastoral care)
- Off-job learning (classroom-based learning)
- Arranging training
- On-job learning (work-based learning)

### Wānanga

### Private Training Establishments (PTEs)

### More focused, industry-specific standards-setting bodies



#### Responsible for:

- Develop qualifications & standards
- Moderate assessments
- Endorse programmes
- Workforce analysis and planning (limited skills leadership function)

# Comparing the options for standards setting and industry training (Proposal 2)

\* Note: This is Ringa Hora's (initial) interpretation of pros and cons of both options. We are keen to hear industry thoughts.

Option A Establishing Industry Training Boards		Option B Establishing more focused, industry-specific standards-setting bodies	
Pros	Cons	Pros	Cons
<ul style="list-style-type: none"> <li>Industry has a <b>clear, single point of contact</b> for arranging training (mainly relevant for employers involved in an apprenticeship model and single industry employers).</li> <li>Industry potentially has a <b>more direct say in qualification development</b>, but there is a risk that this is only for employers currently involved in qualifications.</li> <li>When an initiative makes commercial sense, Industry Training Boards (ITBs) are <b>incentivised to act quickly</b>, e.g. rapid deployment to market of a new product.</li> </ul>	<ul style="list-style-type: none"> <li>ITBs are <b>not 'industry-owned'</b> like ITOs previously (they are proposed to be statutory bodies, with some Ministerial appointments and issued with an annual Letter of expectation from Minister)</li> <li>Risk that immediate <b>commercial pressures on ITBs</b> take priority over long-term industry needs.</li> <li>Potential <b>conflict of interest</b> as ITBs take on both the 'arranging training' and 'quality assurance' functions; reviewing both their own materials as well as the materials of competitors. This could undermine their authority as standard-setters.</li> </ul>	<ul style="list-style-type: none"> <li>Creates <b>more competition between providers</b> to deliver Work-Based Learning, potentially resulting in:               <ul style="list-style-type: none"> <li>more <b>responsiveness</b> to industry needs,</li> <li>more <b>innovation</b> in how training is delivered,</li> <li>more <b>options</b> for employers and learners; and</li> <li><b>cheaper</b> provision of training.</li> </ul> </li> <li>Employers and learners engage with <b>local providers</b> (i.e. ITPs, PTEs, wānanga) to arrange on-job learning.</li> <li><b>Clear separation</b> between the arranging training and the quality assurance functions, ensuring a level playing field between system players.</li> </ul>	<ul style="list-style-type: none"> <li>Relative <b>status quo</b> to the current model in terms of:               <ul style="list-style-type: none"> <li>points of contact for arranging training for industry,</li> <li>having a say in qualification development; and</li> <li>speed of deployment to market.</li> </ul> </li> <li>To date, Te Pūkenga has struggled to <b>fully integrate its work-based and class-room based delivery</b>, and this might continue to be the case for the new ITPs.</li> <li>It is <b>unlikely</b> that the new standard-setting entities are <b>'industry owned'</b> (the Government has provided few details regarding their form).</li> </ul>
<p><b>Under both Option A and Option B:</b></p> <ul style="list-style-type: none"> <li>The process of disestablishing WDCs and establishing other entities is likely <b>long and costly</b>, with a risk of creating disruption for employers, learners, etc.</li> <li>The <b>exact number</b> of ITBs (Option A) or standard-setting bodies (Option B) and their <b>industry coverage</b> has not been decided yet.</li> <li>The Government hasn't been provided details on how either option might work for <b>Māori, Pacific and Tāngata Whaikaha learners</b>.</li> <li>The function of WDCs providing <b>'advice to TEC'</b> is removed, and the <b>'skills leadership'</b> function is diluted.</li> <li>It is unclear what happens with the WDC's <b>'brokerage and advisory'</b> function.</li> </ul>			

# Attend one of our webinars to kōrero with us about what is being proposed

Ringa Hora has a series of webinars planned during which we will:

1. **Discuss** what the Government is proposing, and what it might mean for the VET system, the Service sector, businesses, and for Māori, Pacific People, and Tāngata Whaikaha.
2. **Answer** questions you may have about these reforms; what it means in practice, what the next steps are, etc.
3. Aim to **understand** your views and preferences in relation to the proposals.
4. Talk about how we can best **support** you during this consultation and after.

Date	Event	Session led by
14 August, 1-2 pm	<a href="#">Webinar 1</a>	Ringa Hora
21 August, 4.30-5.30 pm	<a href="#">Webinar 2</a>	TEC + Ministry of Education (supported by Ringa Hora)
27 August, 6.30-7.30 pm	<a href="#">Webinar 3</a>	Ringa Hora
4 September, 9.30-10.30 am	<a href="#">Webinar 4</a>	Ringa Hora, likely with external speaker - Shamubeel Eaqub
12 September	Consultation closed	

Additional information sessions (in-person and online) will be organised by the Tertiary Education Commission and the Ministry of Education. Once confirmed, details and registration links will be published on the TEC [website](#).



# Whanau, this is important – Have your say!

It is vital that the voice of Services industries comes through strongly in the Government's consultation process. Without that voice being heard, we are concerned that there will be limited consideration given to **Service sector workforce needs** of the future and the ongoing **development of transferable skills**.

Government has indicated to us that they **want to hear directly from employers** (rather from Ringa Hora as a Workforce Development Council) on what is and what isn't working well.

## How you can play a role:



**Share information across your network**



**Tell us your views, and share your views with others that matter** (e.g. Ministers, local MPs)



**Make a submission**

(Note: The Government has communicated that a written submission OR a video submission in Teams/Zoom needs to be made for feedback to be considered)

# Ringa Hora is here to support industry



We regularly **share our insights and perspectives** on this consultation on the Ringa Hora website (click on this [link](#) or scan the QR code) and social media.



We can **support you in making a submission** and make it easier for your voice to be heard.



We can offer **any other support** you might need or want from us. Reach out to your Industry Engagement Lead (or any other contact you might have at Ringa Hora) or send us an email on [info@ringahora.nz](mailto:info@ringahora.nz)



Scan this QR code to visit the Ringa Hora [consultation website](#)

# Questions to understand your views

1. Which of the two options under Proposal 2 do you prefer overall? Why do you prefer this option? Why do you prefer the other option less?
2. What is / isn't working well with Workforce Development Councils? Are there any key features of the WDCs that need to be retained in the new system?

## **Additional / Follow-up / Optional questions:**

1. What do you think about having the same organisation do both arranging training (Work-Based Learning) and standard setting? Could it create a conflict of interest or is it good to have an instant feedback loop between the two functions?
2. Do you think providers arranging training (Work-Based Learning) could work well? Are there any issues with this? Would more competition to deliver WBL result in better outcomes?
3. What would you like to see in terms sector coverage of any future standard-setting entities? Does the status quo work for you, or would you like to see any changes?
4. What could be the impacts of these proposals on Māori, Pacific, rural, Tāngata Whaikaha learners?
5. What do you think about Proposal 1 (“Creating a healthy ITP network that responds to regional needs”) and Proposal 3 (“A funding system that supports stronger vocational education”)?