



Vocational Education Reforms Consultation – Submission Template

This is the submission form to accompany the consultation document on the proposed options for the redesign of Vocational Education. Please use the consultation document to help you answer these questions.

There are no compulsory questions in this submission template.

The information you share in this consultation is being collected to further develop policy advice for the redesign of the Vocational Education and Training system. It will be used by the Ministry of Education, the Tertiary Education Commission, and the New Zealand Qualifications Authority for analysis of options and a report on the themes of submissions.

Your full submission along with your name will be published on the Ministry of Education website at the end of the consultation period in line with a transparent decision-making process.

If you consider that we should not publish your name or any part of your submission you will have the opportunity to indicate which part of your submission should not be published and why, for example privacy or commercial sensitivity reasons.

Submissions may be subject to requests under the Official Information Act 1982. The Official Information Act requires the release of the information unless there is good reason under the act to withhold it. We will consult with you before releasing any information you request not be published.

If you indicate your submission should not be published, please provide us with your email address so we can contact you in the event an Official Information Act request is received in relation to your submission.

Demographic questions, such as your ethnicity or region, are optional and your response will not be published with your submission. This information is being collected solely for the purpose of analysis.

You can find more information about the Official Information Act at <https://www.education.govt.nz/our-work/information-releases/making-an-official-information-request/>.

If you have any further questions, or wish to correct or withdraw your submission you can do so at VocationalEducation.Reforms@education.govt.nz



I have read and understood the privacy statement.

Yes

I do not want my submission or parts of my submission released on the Ministry website – please indicate the parts of submission and give reasons for redaction below and provide your email address.

Your information

1. Are you submitting as an individual or on behalf of an organisation/company?
Organisation/Company

If as an individual, then:

2. What is your name?
3. Which region do you work/study in?
Choose an item.
4. What is your ethnicity?
Choose an item.
5. Do you consider your community to be urban or rural?
Choose an item.
6. What best describes your relationship to the vocational education system?
Choose an item.

If you are submitting as a company/organisation, then:

7. What is the name of your organisation/company?
New Zealand Certified Builders Association
8. Which region do you primarily operate in?
Nationwide
9. Do you consider your community to be urban or rural?
Urban
10. Which of the following best describes your organisation?
Industry/Sector organisation, professional body, business association or union
11. Would you consider yourself to be a part of Māori industry/a Māori education provider?
No
12. If you are an employer, how many staff are in your company/organisation?
1 - 19
13. Which industry grouping best represents your company/organisation?
Building and construction

Introduction

Thank you for the opportunity to comment on the Ministry's proposals to redevelop the vocational education system.

As a major building membership association, New Zealand Certified Builders has strong views on these proposals. A healthy, competitive training system is essential to produce the apprentices and subsequently builders who will be at the forefront of New Zealand's construction sector.

NZCB imposes strict entry criteria on builders wishing to join our association. At a minimum, they must hold New Zealand Certificate in Carpentry Level 4. This is an exacting standard but we believe it sets our members apart as highly qualified tradespeople, who are capable of adapting to changing economic environments because they have the skills to take on a wide range of projects.

We believe strongly in the importance of a combination of off-job and on-the job-training to establish this knowledge base, and many of our members and staff within the NZCB national office have experience advising training providers on training system designs.

As well as providing commentary on the proposals as they currently stand, we would like to be involved in discussions on these proposals as they are refined. We believe that the proposals under consideration operate at a very high level, and considerable work will be needed to refine them into workable frameworks, capable of being implemented. We would welcome the chance to contribute to that process.

General Principles

Before we address the specifics of the various options proposed, we wish to set out some general principles we believe are important to take account of when reforming the vocational education system.

- Accessibility for employers and learners needs to be prioritized

Ability for employers and trainees/learners to access the type of training they need, and in a place and at a time that supports the needs of both.

- Key agencies and providers need to coordinate

Redesign of vocational training and education should aim to get ITPs and work-based training providers as close to each other as possible, both in terms of organizational structures, and collaboration in practice. Key agencies (TEC, NZQA) need to *enable* the system to work by setting requirements, processes, funding (models, and rates), measures of success.

- Functions of training providers and assurance bodies must be kept separate

There should be clear separation between the functions of standards-setting and quality assurance, and that of delivering training (regardless of where the training occurs – online, on campus, in-work, or a combination of these).

- Success depends on proper funding

The fact that some ITPs have been facing financial difficulties for two decades or more points to systemic issues with funding. As well as increasing the amount of funding, the

industry should contribute to training costs via a levy, to spread the load across all employers.

- System needs cross-party support to ensure long-term planning

Ideally, we would like to see cross-party support for these proposals to ensure that industry, education providers, learners and employers can make long-term plans for future workforce and personal development needs.

Proposal 1: Creating a healthy ITP network that responds to regional needs

14. Do you agree with the consultation document's statements on the importance of ITPs?
Agree

ITPs have played a key role in local communities for decades and they continue to have an important role to play.

However, we need to be realistic about what new ITP entities can be expected to achieve and how their success should be measured. While we agree they should contribute to a region's economic and social wellbeing, clearly their influence on this broader community wellbeing is restricted in various ways, and that wellbeing depends on a wide variety of other factors.

We firmly believe in the importance of strengthening the ITPs as a network of interrelated providers rather than allowing them to operate, on the one hand, as a collection of standalone entities or, on the other hand, as a federation. Either option would fragment a system that has considerable potential, albeit with some modifications.

15. What do you consider to be the main benefits and risks of reconfiguring the ITP sector?
We are broadly opposed to reconfiguring the ITP sector, although we accept there may be some limited benefits in terms of incentivizing those (initially) in a federation to achieve a pathway to viability/sustainability.

In our view, the risks of these proposals outweigh the benefits. As we mentioned above, we believe there is a significant risk of fracturing the ITP network, which has operated well for many years, although does require some modifications.

One of the most obvious risks would be the loss of regional autonomy and the ability to adjust training to the needs of local economies and communities. Similarly, local communities and regions would lose a local "voice" in national debates about how qualifications should be structured, leading to a homogeneity of opinion.

16. Do you support creating a federation model for some ITPs?
Strongly disagree

We oppose a federation model, and favour strengthening the existing ITP network. We offer thoughts on how to do this in our response to Q 24.

In addition to the concerns expressed previously about federation as a concept, we do not believe the Open Polytechnic is capable of leading such a model. They have little to no experience in delivering courses in practical, workplace settings (as opposed to online).

Furthermore, we do not see how the Open Polytechnic's leadership would address the core issues which have led to the financial underperformance of some ITPs. In many cases, this underperformance is not due to poor management but because of the nature of the training they provide.

Some regional ITPs respond to demand from their communities for particular courses, and decide to run them at a loss due to a low population base, and/or high course running costs. While the ITP makes a loss on these courses, the learner outcomes in terms of skills gained or jobs added to the local economy are valuable.

17. What are the minimum programmes and roles that need to be delivered by the new ITP sector for your region?

As a national membership association, we are not able to comment on regional needs. Our main focus is the New Zealand Certificate in Carpentry Level 4, which is a minimum entry requirement for our members.

However, we also have strong interest in the range of Trades Academy and Gateway offerings, and NZ Certificate in Construction Trades Skills Level 3 (PreTrade), as key pathways into our industry; also, NZ Certificate in Construction Supervisor Level 5, and NZ Diplomas in Construction, and Architectural Technology Level 6.

A number of micro-credentials have also been, or are being, developed specifically for the Construction sector. We would like to see this work continue, particularly with respect to demolition and renovation; basic construction skills; onsite assembly; introduction to interior linings and joinery; and introduction to exterior envelope.

We note that there will be a broad range of qualifications required by other trades, and we urge the Ministry to consider the requirements of smaller, more specialized trades. It will also be important to consider the correct mix of full qualifications and micro-credentials to address skill shortages, and as the demand for these skills ebb and flow through economic cycles, and which part of the system is best placed to deliver.

18. What are the critical factors needed (including functions and governance arrangements) to best support a federation model?

As noted above, we do not support a federation model.

However, if one was to be implemented, we would expect that individual member entities would have enough independence to enable regions and local communities to determine delivery decisions.

We would also hope to see a system that encourages and enables federation members to actively engage with each other, and also with ITPs who are not in the federation.

Any federation model should include clear expectations, criteria, and opportunities, for individual entities to establish financial stability and viability, and thus move out of the federation.

Finally, we would expect that the lead of the federation would have current systems capability to support all member needs.

Proposal 2: Establishing an industry-led system for standards-setting and industry training

19. Which option do you prefer overall?

Option B replace WDCs with industry-specific standard-setting bodies - Slightly prefer

We have concerns with both options, although on balance we prefer Option B, albeit with significant modifications.

In our view, Option B provides greater opportunities for qualifications and training programmes to be aligned with industry needs, in turn providing better opportunities for learners as they enter and progress through the workforce.

Industry-led bodies will have more control over the quality and relevance of vocational training, ensuring that qualifications and training are closely aligned with current and future industry demands. Furthermore, these bodies are better positioned to offer accurate workforce forecasting, ensuring training providers produce graduates with skills that are in demand.

Enabling ITPs, PTEs, Wānanga, and new providers to both collaborate and compete in the industry training space will foster innovation in training delivery. This competition is likely to lead to more flexible, industry-aligned programmes that better meet the needs of employers and students.

Having said this, both options as they are presented seem to revert to old and problematic models, rather than taking the opportunity to create something new and enduring.

In broad terms, we believe vocational education needs an overarching body – with significant industry representation – to guide and support the standards-setting (qualifications) and quality assurance (delivery/assessment) functions for respective industries.

There also needs to be a strategic, industry-focused function that identifies the training needs for industry, guiding providers and engaging with TEC about supporting demand. For the construction sector, these functions have been performed very effectively by Waihangā Ara Rau. They have engaged with and listened to industry, established practices with providers, and advocated on behalf of their stakeholders with TEC and NZQA.

Whatever replaces the WDCs should, at a minimum, look to replicate these functions.

20. What are the main features and functions that Industry Training Boards (Option A) need to be successful?

As stated, we do not support Option A. There needs to be a complete separation between the responsibility for standards-setting and quality assurance, and any training delivery.

The old model saw ITOs operating as standards setters and moderators (including of ITPs), and in some cases crossing the line from arranging training into delivery. This led to an uneven playing field, and Option A as proposed would likely see a return to similar behaviours.

Regardless of the options within proposal 2, an Industry Training Board (ITB) would need:

- To be led by industry – governance membership, oversight, direction, advocacy;
- To provide an opportunity for industry to actively engage regarding qualifications/standards;
- To allow any provider to engage with ITB on programme and assurance matters.

21. Under Option A, how important is it that Industry Training Boards and non-Industry Training Boards be able to arrange industry training?

Very unimportant

It is not important at all since we strongly oppose any role for ITBs in any form of delivery (as they are defined in Option A), including arranging training. We favour the purpose outlined in Option B, which is to focus on strategic oversight of the portfolio, ensuring providers deliver what industry needs, and monitoring the outcomes of that delivery.

22. What are the main features and functions that industry standards-setters (Option B) need to be successful?

We would expect to see the following principles guide the development of the industry standards-setting function.

- Standards setters should focus on learner success by taking a learner-centric approach.
This means ensuring qualifications are achievable, valuable, and recognised by employers. Providers should offer accessible, inclusive training programmes with clear pathways to employment or further education. Rigorous quality assurance processes should be implemented to maintain high standards, resulting in competent and confident graduates.
- Standards need to have strong industry alignment.
Standards setters need to maintain a strong connection with industries to ensure qualifications and standards remain relevant to current industry needs, leading to better employment outcomes for learners. Standards setters need to be agile and responsive to technological advancements or shifts in workforce demand, ensuring that learners are equipped with up-to-date skills.
- Re-design should enable collaborative relationships with education providers.
Successful standards setters should collaborate closely with education providers to ensure consistent outcomes of industry training that meets the set standards. Strong feedback loops between standards setters and education providers are essential for continually refining and improving standards based on practical experiences. Quality assurance and moderation processes need to be strong.
- There needs to be effective governance and independence.
Standards-setting bodies should operate independently of training providers to avoid conflicts of interest, focusing on setting high-quality, industry-aligned standards. Clear and transparent governance structures, including representation from key stakeholders such as industry experts, employers, and employee

representatives, are needed to ensure a fair and inclusive standards-setting process.

- Redesign needs to enable flexibility and innovation in the delivery of training and how standards are applied.
Standards setters should promote innovation in training delivery and assessment methods, including the development of new training technologies and competency-based assessments. While maintaining high standards, flexibility should be allowed in how these standards are met, accommodating different learning styles, environments, and emerging industry practices.
- There needs to be a commitment to continuous improvement.
The system should both require and enable standards setters to regularly review and update standards to keep them relevant and effective, ensuring training continues to meet evolving industry and learner needs. Decisions about standard updates and improvements should be informed by data and feedback from employers, learners, and education providers. We would also like to see standards setters given the ability to conduct research into industry needs, and to be able to adapt international practices to New Zealand conditions, where appropriate.

23. Are there any key features of the Workforce Development Councils that need to be retained in the new system?

In our view, the WDCs have done excellent work in a number of areas, with Waihangara Rau being especially effective for Construction and Infrastructure. Given this, we are concerned that a lot of hard work on the part of the WDCs might go to waste if wholesale reforms were to proceed, simply to address performance issues with only one or two of them.

Specifically, we believe WDCs have been invaluable in terms of their engagement with a wide range of stakeholders, including employers, employees, industry bodies, and education providers. This broad engagement ensures that multiple perspectives are considered in the development of standards, leading to more comprehensive and applicable qualifications. Continuing this inclusive approach will be critical in the new system to maintain the relevance and applicability of training across different sectors.

We also believe the strong relationship WDCs have developed with the New Zealand Qualifications Authority (NZQA) has been a major achievement, allowing for the swift review and rewriting of standards. This agility is essential in a rapidly changing workforce landscape, where industries need to adapt quickly to new technologies and methodologies. The new system should retain this close collaboration to ensure standards can be updated quickly and efficiently, and the standard setter should have the authority (as WDCs currently have) to advise TEC.

24. Are there any key features of how the previous Industry Training Organisations worked that should be re-introduced in the new system?

NZCB supports having a combination of work-based, online, and campus-based delivery operating as closely together as possible, in terms of organisational structures and collaborative practice.

Merging the training/delivery elements of the old ITO model with the regional ITP network in a truly integrated model would provide apprentices and their employers with the onsite/off site flexibility that NZCB has found beneficial under the Te Pūkenga model. This approach would strengthen each individual ITP via scale, and mean that industry and potential learners can access their training by contacting their local ITP.

Competition, which we believe is necessary to a degree, will still be there in the form of PTEs. Note that should an old ITO become a PTE, they would be competing with other PTEs more so than ITPs – this may be subject to TEC’s decision about who can offer apprenticeships, and industry feedback on who is best suited to do so.

25. What are the possible benefits and risks of having a short moratorium on new industry training providers while the new system is set up?

Our response to this question depends on how long a moratorium would be.

There is merit in the idea of a short moratorium (until the end of 2025) to allow existing entities to reconfigure themselves to better accommodate enrolled learners, without simultaneously having to shift their focus to deal with new entrants into the market.

We also believe that focusing on establishing new guidelines and standards properly without the distraction of onboarding new providers would ultimately provide greater confidence in the new system, and ensure everyone – existing and new providers – is working from the same playbook from day one.

However, if a moratorium dragged on too long, this would create uncertainty in the system about the guidelines by which new entrants into the market would be assessed. It might exacerbate existing skill shortages in different regions of the country as learners and providers held off on new training as the new system bedded in.

A change in model would also cause disruption for trainees due to complete in 2026, and a moratorium might further delay their completion, having knock-on effects on funding and the award of qualifications.

Proposal 3: A funding system that supports stronger vocational education

26. To what extent do you support the proposed funding shifts for 2026?

Support

To begin, we would point out that while the UFS was introduced as part of RoVE, it is not just for Te Pūkenga but supports *all* providers doing vocational training and non-degree up to L7.

It became clear early on that the UFS design meant it would work well for work-based providers in a buoyant economy, but that in an economic downturn the reduced rates for ITPs wouldn't necessarily be sufficient to ensure viability.

This design flaw has had significant impacts over the past two years, where we saw many WBL divisions within Te Pūkenga do very well, but these have suffered as the economy took a turn more recently. Conversely, as we've experienced an economic softening in 2024, many ITPs have experienced increased enrolments (some up to +10%), yet many are still struggling financially.

While adjustments to the rates are necessary, the overall amount of funding into the sector needs to be reconsidered. This might mean greater funding from TEC, but we should also consider the merits of an industry contribution in the form of a training levy or similar. In the Construction sector, it's been estimated that around 15% of employers are doing 100% of the training, yet all employers benefit from having qualified practitioners in the employment market, even if they haven't all contributed to their training.

In tandem with greater central funding and training levies, we would encourage the government to look at additional incentives for employers to begin, maintain or expand their training.

Consideration should also be given to a 'bulk-funding' element, payable to each new entity (ITP) created under these changes. That would enable a solid footing on which to (re)establish themselves, recognising the high cost of running and maintaining capital infrastructure of the campuses.

27. What benefits and risks need to be taken into account for these changes?

There are a number of benefits to the proposed shifts in funding. Firstly, they would restore a degree of parity to the funding model and acknowledge the high cost of running campuses. Secondly, they would acknowledge the critical work of standards setting and assurance, and fund these functions properly, rather than "burying" funding for these functions as was done under the old ITO model.

However, we emphasise that the assessments of funding rates need to consider the variables that typically influence learner choice i.e. economic fluctuations, populations/demographics, pipelines of work and so on. All of these were key elements of the WDC work when determining what should be delivered, when, and where.

Furthermore, increasing ITP rates won't necessarily address underlying issues such as a lack of scale for the likes of NorthTec or Tai Poutini. Any revised model should enable all new ITPs to get off to an equitable start.

New Zealand Certified Builders has a strong interest in core carpentry, and the scale of the carpentry apprenticeship programme (currently around 20,000 learners) means that there is generally an option available for learners regardless of where they reside or work. That may not be the case for smaller, specialist trades. Centres of Excellence are often touted as a solution for those industries, and consideration may need to be given this approach, including the necessary capital input.

28. How should standards-setting be funded to ensure a viable and high-quality system?
There should be two elements to the funding of standards setting, and quality assurance:

1. 'Bulk fund' the systems-level design and operational costs (such as IT and HR functions);
2. Pro-rata the operational funding, based on 5-year workplans that are devised by the ITBs in conjunction with industry. This could be similar to what the WDCs do with TEC now, via their investment advice.

One way of spreading the load of these costs across the industry would be to apply a training levy.

29. How should the funding system recognise and incentivise the role that ITPs play in engaging with industry, supporting regional development, and/or attracting more international students to regions?

To some extent, ITPs are already required by NZQA to engage with Chambers of Commerce and EDAs to validate delivery, outcomes and so on at local and regional levels.

We agree that ITPs – and any provider – should continue to be required to engage with their communities, iwi and industry to ensure their mix of provision is relevant for the regions' needs.

We are less convinced about questions of regional/economic development. While the work of the ITPs should contribute to these outcomes, it should not be their responsibility alone, or even primarily. EDAs have a key role here, as do Chambers of Commerce, local government, and industry.

30. What role should non-volume-based funding play, and how should this be allocated?

See our views on this in response to questions 26 and 28.

Concluding questions

31. Could there be benefits or drawbacks for different types of students (e.g. Māori, Pacific, rural, disabled, and students with additional learning support needs) under these proposals?

As stated at the outset in our recommended principles, we believe these reforms should prioritise learner-centricity, which encompasses many things but would prioritise having a variety of delivery models, incorporating in-person, online, classroom-based and workplace-based learning. As set out in the discussion document, we do not see obvious issues in this respect.

However, we note there could be unintended consequences if an ITP is part of a federation, and the region that ITP serves has a high proportion of NEETS, Māori, Pasifika and so on. Those needs must be met, but the system and function of a federation may not be the best one to support those needs.

32. Could there be benefits or drawbacks from these proposals for particular industries or types of businesses?

We are concerned that these proposals present considerable uncertainty for smaller, niche sectors. How will these smaller trades be able to engage with ITBs, regional ITPs (especially those in a federation), and advocate for the companies and employers?

33. Are there any other ideas, models, or decisions for redesigning the vocational education system that the Government should consider?

A number of countries have very mature and successful VocEd systems, namely Germany, Austria, Switzerland, and many share common features which appear to have supported the success of their models over decades.

While New Zealand doesn't have the scale of many of those nations, some of the following features of these jurisdictions might merit further investigation:

- Chambers of Skills and Crafts: similar to what's being proposed via ITBs, but with a broader mandate.
- Research: the work that ConCoVE | Tūhura has done into issues affecting Construction and Infrastructure has been valuable, and the outputs are now beginning to have a positive impact, for example with degree-level apprenticeship pilots. Consideration should be given to continuing this function in some way.
- All vocational professions are defined in regulations: this helps eliminate confusion about a particular vocation/profession.
- Meistercraftsman (Mastercraftsman) qualification: similar to Advanced Trade/Supervisor qualifications in New Zealand, but with a pedagogical component in them to support employers, site supervisors and others with the craft of training.
- Industry Training Levy: this is payable by all companies, not just those who train. The levy subsidises trainees when they attend off-job training (which is mandated via the Chambers, by industry, for each particular vocation).