

## **ConCOVE Tūhura's Supplementary Submission on the proposed vocational education and training reforms**

12 September 2024

ConCOVE Tūhura, the Construction and Infrastructure Centre of Vocational Excellence, appreciates the opportunity to provide feedback on the proposed redesign of New Zealand's vocational education and training system. As a centre dedicated to improving vocational education outcomes in the construction and infrastructure sectors, we have conducted extensive research that provides deep insights into the challenges and opportunities within New Zealand's VET system. Our evidence-based industry-first approach ensures that our proposals are practical, have a positive impact, and reflect the voices of industry.

We have significant concerns about the proposed changes and their potential impacts, particularly regarding the lack of a clear strategic vision, the potential reduction in industry engagement, and insufficient consideration of equity and future skills needs. These concerns are set out in the Key Issues section.

In response to these concerns, we propose a comprehensive alternative model for the VET system. Our model is built on four key pillars:

1. A reimagined provider structure
2. A robust standard-setting and industry engagement framework
3. A sustainable and equitable funding structure
4. An overarching centre for vocational excellence

Our research highlights persistent inequities in the current system, particularly for Māori, Pacific peoples, and women. For instance, evidence shows that nearly two-thirds of Māori and Pacific women leave the construction workforce within two years. Our proposal prioritises addressing these equity issues.

Financial sustainability is a critical concern. Our model proposes innovative funding approaches and efficiency measures to ensure long-term viability of the sector.

The importance of industry engagement cannot be overstated. Our research and industry partnerships have consistently shown that close collaboration between education providers, standard setting bodies, and industry is crucial for developing relevant curricula, providing real-world learning experiences, and ensuring graduates are job-ready.

We believe our alternative proposal creates a more resilient, responsive, and effective VET system for New Zealand. It addresses critical issues in the current system while positioning the sector for future challenges and opportunities.

ConCOVE welcomes any opportunity to provide further input and support in this crucial redesign process. We urge the government to consider our comprehensive, evidence-based approach to ensure

vocational education delivers for all New Zealanders and not perpetuate the mediocre approach taken for many a political cycle.

### Key issues that must be addressed

1. *Lack of Strategic Vision:* The proposals focus heavily on structural changes without articulating a clear vision or strategic direction for vocational education. There is insufficient consideration of how the proposed changes will improve outcomes for learners, employers and the economy. We urge the government to develop and communicate a comprehensive vision for the future of VET in New Zealand.

ConCOVE's research should inform the development of that vision. For example, ConCOVE's report on the ***Infrastructure sector*** sets out a strategy for meeting workforce needs through an integrated training pathway. We have worked with other industries to develop similar pieces of work, as well as system-wide projects that would have benefits for the whole system if implemented at scale.

2. *Industry Voice and Engagement:* The proposals risk reducing industry leadership and engagement in vocational education, particularly through the disbanding of Workforce Development Councils. Strong industry involvement is critical for ensuring training meets sector needs, this voice risks being compromised if standard setting and delivery are house in the same organisation. The proposals are notably light on the specific role of employers in the new system. We recommend developing more concrete plans to involve employers at all levels of the VET system.

This industry voice and engagement should be future-focused to inform the development of VET over the coming decades, not just the current needs. ConCOVE's research draws strongly on industry input from Tier 1 companies to the many SMEs that dominate the construction sector in particular.

3. *Equity and Access:* There is limited consideration of how the changes will impact equity of access and outcomes, particularly for Māori, Pacific peoples, women, and other underserved groups. Our research shows persistent inequities that must be addressed. For example:

- Our ***Reduce qualifying time for Māori Level 4 carpentry apprentices*** project highlighted significant barriers to success for Māori learners.
- The ***Upskilling Māori Construction Practitioners*** project revealed challenges in progression and success for Māori in the construction sector.
- Our ***Workforce Journey Indicators*** project identified that nearly two-thirds of Māori and Pacific women leave the construction workforce within two years.
- Our ***On-site Upstanders*** project identified a culture that felt unwelcoming for women, reinforcing the perception that it's primarily a space for men, and leaving women feeling they did not 'fit in'.
- Similar barriers are being encountered in early work on ***Neurodiversity in VET***, a joint project with the Food and Fibre CoVE.

Recent research emphasises the critical importance of on-the-job training from an equity perspective, particularly for Māori and Pacific peoples (e.g. Uptempo, The Southern Initiative, MBIE).

These findings are not unique to New Zealand. Professor Barney Glover, Jobs and Skills Commissioner in Australia, has observed that industries with highly gendered workforce participation, particularly male-dominated industries, consistently face significant skills shortages. This international perspective underscores the urgency of addressing equity issues in vocational education and training. Professor Glover emphasises the need for culture change within these industries to create more equitable workforces. This aligns with our research findings, which indicate that a workforce where everyone feels safe and welcome is more likely to thrive, retain workers, and be more productive.

4. *System Coherence and Consistency:* The proposed reforms risk introducing too much competition into the VET system, which could lead to a lack of consistency in training standards and qualifications. This inconsistency could confuse learners and employers, making it difficult to assess the value and comparability of different qualifications. A balance must be struck between encouraging innovation through competition and maintaining a coherent, consistent system that serves the needs of learners and industries.
5. *Funding Model:* The proposed funding changes may negatively impact work-based learning and reduce overall investment in vocational education. A sustainable funding model that incentivises quality outcomes is needed.

The system view of ConCOVE's research has revealed time and time again that the current funding model does not provide the right incentives to meet industry needs. This gap has resulted in two projects intended to inform how the funding system might be optimised. These reports will be available later this year and early next year. We encourage these reports to be consulted in the development of a robust funding system.

6. *Implementation Risks:* The proposed timelines for implementation are extremely ambitious given the scale of change proposed. There are significant risks around disruption to learners and employers. The proposals lack detail on transition planning and the longevity of the proposed approach. We recommend developing a more comprehensive transition plan with clear timelines and milestones.
7. *Research and Innovation:* There is no mention of research or innovation in the proposals. This is a significant gap, as research and innovation are crucial for keeping vocational education relevant and forward-looking. We recommend incorporating specific research and innovation functions into the new VET system structure, to support excellence and evidence-based evaluation and continuous improvement for the various system-wide organisations and industry.

8. *Quality Assurance:* The proposals do not adequately address how quality assurance will be maintained in the new system, particularly with the potential increase in private providers. We recommend developing and communicating a clear plan for maintaining and enhancing quality assurance mechanisms in the reformed system.

Our trilogy of projects on educator development underscores the importance of maintaining and enhancing quality assurance mechanisms, particularly in the training of vocational educators. Our work on projects such as **Skill Standards** and **Micro-credentials** illustrate the need for this function to be independent so as to identify issues within the system and develop potential solutions.

9. *Role of Key Agencies:* The role and purpose of NZQA and TEC in the new system are not clearly considered. This is a significant gap given their importance in the overall TVET ecosystem. We urge the government to provide clarity on how these key agencies will fit into the reformed system and indeed how the various roles will function together, as well as who will have independent oversight of the overall performance of the VET system similar to National Centre for Vocational Education Research in Australia.

10. *Future Skills Needs:* The proposals do not sufficiently address how the system will identify and respond to future skills needs, particularly in light of digital and technological advances and environmental needs facing sectors. We recommend expanding the reform plans to include more forward-looking planning for emerging industries and skills.

11. *Cost Savings and Increased Productivity:* While we appreciate the government's efforts to create a more cost-effective and productive VET system, we have some concerns about how these goals will be achieved:

- **Cost Savings:** We caution against cost-cutting measures that compromise the quality of education or support services for learners. Any cost savings should be reinvested into improving educational outcomes and supporting underserved communities.
- **Increased Productivity:** We support the aim to create a more responsive system to local and industry needs. However, we emphasise that short-term productivity gains should not come at the expense of comprehensive education. The VET system should prioritise producing well-rounded graduates with transferable skills, not narrowly focused on immediate industry needs. Further, in vocational education, skills are not primarily gained through online learning.
- **Regional Focus:** While we agree with maintaining core provision critical to regional communities, we urge the government to ensure that this doesn't lead to a fragmented system where the quality of education varies significantly between regions and there is a lack of portability of learning between providers and consistency in outcomes. Industry requires consistency across Aotearoa New Zealand. Skills and competencies in the wider construction and infrastructure sector cannot be gained via online learning. Real, practical, on-job delivery is required.

- **Funding Reallocation:** The proposed repurposing of funding, particularly from the Learner component, raises concerns about potential impacts on support for vulnerable learners. We recommend a careful assessment of how these changes might affect equity and access.
- **Long-term Vision:** Cost savings and productivity increases should be viewed as means to an end, not ends in themselves. We urge the government to articulate how these measures contribute to a broader vision for a high-quality, equitable, and future-focused VET system.

We recommend that any cost savings or productivity measures be implemented transparently, with clear metrics for success that go beyond financial indicators to include educational outcomes, equity measures, and long-term workforce development goals. Regular review and stakeholder consultation should be built into the process to ensure that these changes are delivering the intended benefits without unintended negative consequences.

### **An alternative proposal for VET system redesign**

In light of the challenges facing New Zealand's vocational education and training (VET) system, and drawing on our extensive research and industry engagement, ConCOVE proposes a comprehensive alternative model. This proposal aims to create a coordinated, efficient, and responsive VET structure that meets the needs of learners, industries, and regions across New Zealand.

Our alternative proposal is built on four key pillars:

1. A reimagined provider structure that combines large-scale training campuses, regional hubs, and mobile units to ensure comprehensive coverage and high-quality education.
2. A robust standard-setting and industry engagement framework to ensure the relevance and quality of training.
3. A sustainable and equitable funding structure that supports the entire training pipeline.
4. An overarching centre for vocational excellence that provides critical support, guidance, and innovation across the entire VET ecosystem.

This model is designed to address the critical issues identified in the current system, including the need for stronger industry voice, improved financial sustainability, enhanced equity and access, and continuous improvement through research and innovation. It leverages the strengths of different types of providers and delivery methods while ensuring consistency and portability of qualifications across the country.

Our model prioritizes system-wide consistency while still allowing for innovation. The robust standard-setting and industry engagement framework ensures that qualifications and training standards remain consistent across providers, reducing confusion for learners and employers. This approach maintains the benefits of having diverse providers while avoiding the pitfalls of excessive competition that could lead to fragmentation and inconsistency in the VET system.

By integrating large-scale facilities with regional and mobile delivery, our proposal aims to balance the benefits of centralised resources with the need for local responsiveness. The standard-setting and industry engagement components are designed to ensure that qualifications remain relevant and trusted by employers. Our proposed funding structure aims to create a sustainable system that can adapt to changing industry needs and support equitable access to training.

Overarching all of this, the centre of vocational excellence ensures that the VET system remains future-focused, adaptive, evidence-based, and capable of addressing complex challenges as they arise. This system aligns closely with several key roles identified in international best practices for sector skills bodies, including developing and maintaining skill standards and qualifications, supporting quality assurance, and interpreting labour market information.

We believe this comprehensive approach will create a more resilient, responsive, and effective VET system for New Zealand. The following sections detail each component of our proposal, demonstrating how they work together to create a cohesive and forward-looking VET ecosystem.

1. Provider Structure (ITP and work-based learning)
  - a. Large-Scale Training “Anchor” Campuses (for example these could be Unitec and MIT in NI and Otago and SIT in SI):
    - Focussed on skill development for those who are already engaged training
    - One or more dedicated civil construction and infrastructure training facilities with extensive equipment and resources.
    - Capacity for hands-on training with heavy machinery and simulators.
    - Coordinates trades academies to ensure regional provision
    - This couldn’t be Open Polytechnic as it’s not a physical campus. Would need an anchor ITP (or several anchor ITPs).
  - b. Regional Training Hubs (centralised model supported by an anchor campus):
    - Smaller, regionally distributed centres for local training needs (a mix of PTEs and ITP campuses)
    - Provide initial exposure and work readiness
    - Coordinated with the large-scale campuses for resource sharing and consistency and portability of training credits.
    - Host the trades academy/coordinates with schools (initial exposure)
  - c. Mobile Training Units such as the [Major Oaks Equipment Simulator](#) (coordinated by the large-scale campuses):
    - Flexible units that can provide on-site training at various locations to augment work-based learning.
    - Simulators would be part of this learning where appropriate.
    - Serves remote communities and areas where there is urgent need (e.g. a major infrastructure project) for initial exposure and work readiness
    - Supports trades academies (initial exposure)

- d. Integrated Online Learning Platform (through the Open Polytechnic):
    - For theoretical components and to support blended learning approaches.
  - e. Work-based learning:
    - Coordinated with the rest of the system for resource sharing, consistency and portability of training credits (entry-level training)
2. Standard setting and industry engagement
- a. Standard setting body:
    - Qualifications should be a reliable signal of a person's competency for industry roles.
    - Greater focus on post-study outcomes and on-the-job performance as indicators of learning quality.
    - Increased use of capstone assessments to evaluate holistic skills, including decision-making abilities.
    - Evaluation of workplace training providers' ability to deliver and assess qualifications before training begins.
    - Assessment of equipment and task availability at businesses to ensure they meet qualification requirements.
    - Formalisation of arrangements for learners to move between businesses to fill experience gaps.
    - Identification of specialised equipment needs for a dedicated civil industry school.
    - Exploration of relationships with Māori training providers and their unique approaches.
  - b. Industry engagement
    - Strong industry voice in shaping standard setting requirements and qualifications.
    - Significant engagement from construction sector members to guide WDCs in filling training gaps and advising on funding.
    - Industry input on increasing trust in outputs from the wider education sector. Ongoing dialogue to identify what would increase industry trust in the education sector.
    - Large firms to lead in adopting new systems to encourage smaller players to engage.
    - Industry input on decision-making skills needed for capstone assessments.
    - Engagement with industry training providers to understand barriers to participation in funding structures.
3. Funding Structure:
- a. Mixed Funding Model:
    - Public funding coordinated through the TEC
    - Industry levy: A small percentage (e.g., 1-2%) of construction companies' wage bills or project values, and a divergence of the Building Levy to support.

- Student contributions: Minimal, to ensure accessibility.
  
- b. Dedicated Training Fund for Construction and Infrastructure
  - Funds allocated on industry needs and projected workforce requirements (and strong industry representation in decision making)
  - Performance funding – tied to post study outcomes and industry satisfaction (skills acquisition and job placement)
  - Targeted funding for equity (e.g. women, diversity in leadership)
  - Funding for all parts of the training pipeline: initial exposure, work-readiness, entry-level training, skills development
  - Capital investment for large-scale training facilities and equipment
  
- 4. Centre for vocational education research and innovation
  - Conduct ongoing research to inform VET implementation, ensuring the system remains responsive to current and emerging industry needs.
  - Provide a centralised repository for industry data and insights, addressing the current fragmentation of information across the sector.
  - Offer expert advice on equity, quality, and relevance in vocational education, drawing on insights from projects such as our work on sexual harassment, Māori learner success and neurodiversity in VET.
  - Support the needs assessment for the development of new standards, qualifications, and learning resources, ensuring they align with industry requirements and pedagogical best practices.
  - Monitor implementation of VET initiatives and provide independent evaluation, facilitating continuous improvement across the system.
  - Contribute to research and innovation initiatives to keep the VET system forward-looking and responsive to emerging industry needs.
  - Act as an 'overflow' function during transitions and beyond, providing additional capacity and expertise to address complex challenges that arise.

## **Centre for vocational education research and innovation**

The inclusion of a dedicated centre of vocational excellence is crucial for the success and longevity of any vocational education and training (VET) system redesign. This component addresses a critical gap in the any of the proposed systems: the lack of a centralised, forward-looking entity that can drive continuous improvement, foster innovation, and provide evidence-based insights to inform policy and practice.

Our research has highlighted the urgent need for a unified database of industry insights to inform strategic decision-making in the education sector. The proposed Centre would fulfil this role, acting as a central repository for data and research findings from across the VET ecosystem. This would enable more responsive and relevant training programs.



The Centre would play a vital role in ensuring the VET system remains adaptive and future focused. Our "Offsite Manufacturing Workforce" project revealed significant gaps in digital skills and modern construction methods that are not currently being addressed. A dedicated research and advancement entity would be instrumental in identifying such emerging trends and skills needs, enabling the VET system to proactively develop curricula and training programs that prepare learners for the jobs of tomorrow.

The Centre would also be crucial in addressing persistent equity issues in the VET system. Our projects on Māori learner success and the challenges faced by women in construction have revealed significant barriers that require ongoing, evidence-based interventions. By conducting targeted research and providing strategic insights, the Centre could guide the development of more effective, culturally responsive training methodologies and support initiatives to create more inclusive work environments.

In times of rapid change or crisis, this Centre would serve as a valuable "overflow" resource, providing additional capacity and expertise to address complex challenges as they arise. This flexibility would enhance the resilience of the entire VET system, ensuring it can adapt quickly to changing circumstances without compromising the quality of education and training.

In essence, regardless of the specific structure chosen for the VET system redesign, a centre for vocational excellence would serve as the "brain" of the system—continuously learning, adapting, and driving improvement. It would ensure that New Zealand's VET system remains world-class, responsive to industry needs, and capable of providing equitable outcomes for all learners. The relatively small investment required to establish and maintain such a centre would be far outweighed by the long-term benefits of a more efficient, effective, and future-proof VET system.

These functions align closely with international best practices for sector skills bodies and would significantly enhance the responsiveness, quality, and industry relevance of New Zealand's VET system. We recommend that the reform process explicitly incorporates these functions, either through existing bodies like Centres of Vocational Excellence or through newly established sector skills entities.

### **More time needed**

Given the complexity of the issues involved and the potential for unintended consequences, we strongly recommend extending the consultation and implementation timeframes. Specifically:

- Extend the consultation period by at least 3 months to allow for more comprehensive sector engagement and analysis
- Establish a transition taskforce with strong industry representation to work through implementation issues, this was not evident in the initial Reforms of Vocational Education.
- Have the taskforce advise on new implementation timeframes that will allow for proper transition planning.

## **Conclusion**

New Zealand's vocational education system is at a critical juncture, and the decisions made now will have far-reaching implications for our economic prosperity and social wellbeing. While we commend the government's initiative to improve the system, our extensive research and industry engagement have led us to propose an alternative model that we believe better addresses the challenges faced by the sector.

### **Key points:**

1. **Strategic Vision:** The current proposals lack a clear, long-term vision for vocational education in New Zealand. Our alternative model provides a comprehensive framework aligned with industry needs and future workforce demands.
2. **Equity and Inclusion:** Our research demonstrates persistent inequities in the system, particularly for Māori, Pacific peoples, women, and other underserved groups. Our proposal places equity at its core, ensuring that all New Zealanders have access to high-quality vocational education.
3. **Industry Engagement:** The proposed reforms risk diminishing industry voice and involvement. Our model emphasises strong industry leadership and engagement at all levels.
4. **Innovation and Research:** The current proposals overlook the critical role of research and innovation in vocational education. Our alternative includes a dedicated centre for vocational excellence to drive continuous improvement and innovation.
5. **Financial Sustainability:** We propose a funding structure that balances the needs of provider-based and work-based learning, ensuring the long-term viability of the sector.

### **Main recommendations:**

1. Adopt our alternative proposal, which offers a more robust, equitable, and future-focused vocational education system.
2. Develop and communicate a comprehensive strategy and vision for the future of VET in New Zealand, incorporating the key elements outlined in our proposal.
3. Extend the consultation period and implementation timeline to allow for thorough planning and stakeholder engagement.
4. Strengthen industry involvement in the reformed system, ensuring it meets sector needs and adapts to emerging industries.
5. Prioritise equity provisions, particularly for underrepresented groups, in all aspects of the system redesign.
6. Integrate research and innovation functions into the new system structure, including the establishment of a centre for vocational excellence.
7. Ensure that any reforms maintain consistency across the VET system. While some level of competition can drive innovation, it should not come at the cost of a coherent and easily navigable system for learners and employers.
8. Implement a robust quality assurance framework that maintains high standards across the sector.
9. Clarify and streamline the roles of key agencies like NZQA and TEC within the reformed system.

10. Develop comprehensive plans for addressing future skills needs and supporting emerging industries.

The complexity of reforming the vocational education system cannot be overstated. Rushed implementation risks unintended consequences that could undermine the sector's effectiveness for years to come. We strongly advocate for an extended consultation and implementation period to ensure all stakeholders' voices are heard and considered.

ConCOVE, with its extensive research base and strong industry connections, would welcome the opportunity to contribute further to this crucial redesign process. We are committed to working collaboratively with the government and all stakeholders to create a vocational education system that truly delivers for all New Zealanders – learners, industries, and communities alike.

By embracing an evidence-based approach to reform, we have the opportunity to create a world-class vocational education system that drives innovation, supports economic growth, and ensures equitable outcomes for all. We urge the government to seize this opportunity and work with us to shape a brighter future for vocational education in New Zealand.