

# Reform of Vocational Education: Workforce Development Councils

*Information for employers and industry groups*

**September 2019**



# What is the Reform of Vocational Education?

*The Reform of Vocational Education is a suite of changes introduced to help prepare us for the future of work.*

*The way we work – and the jobs we do – are changing.*

*We need a system that is simple to understand and navigate, responsive to the needs of learners and employers, and flexible enough to change as the future develops.*

# What are we aiming to do?

*To create a more sustainable system for all New Zealanders.*

## **A system with a stronger focus on employers:**

- delivering the right skills they need
- providing more support for their employees and the employer
- greater consistency in skills, programmes and qualifications
- encouraging more employers to be engaged in vocational education.

## **For learners, the system will offer:**

- more support while they are training
- education that is more relevant to work
- an easier path to continue learning if they need to move.

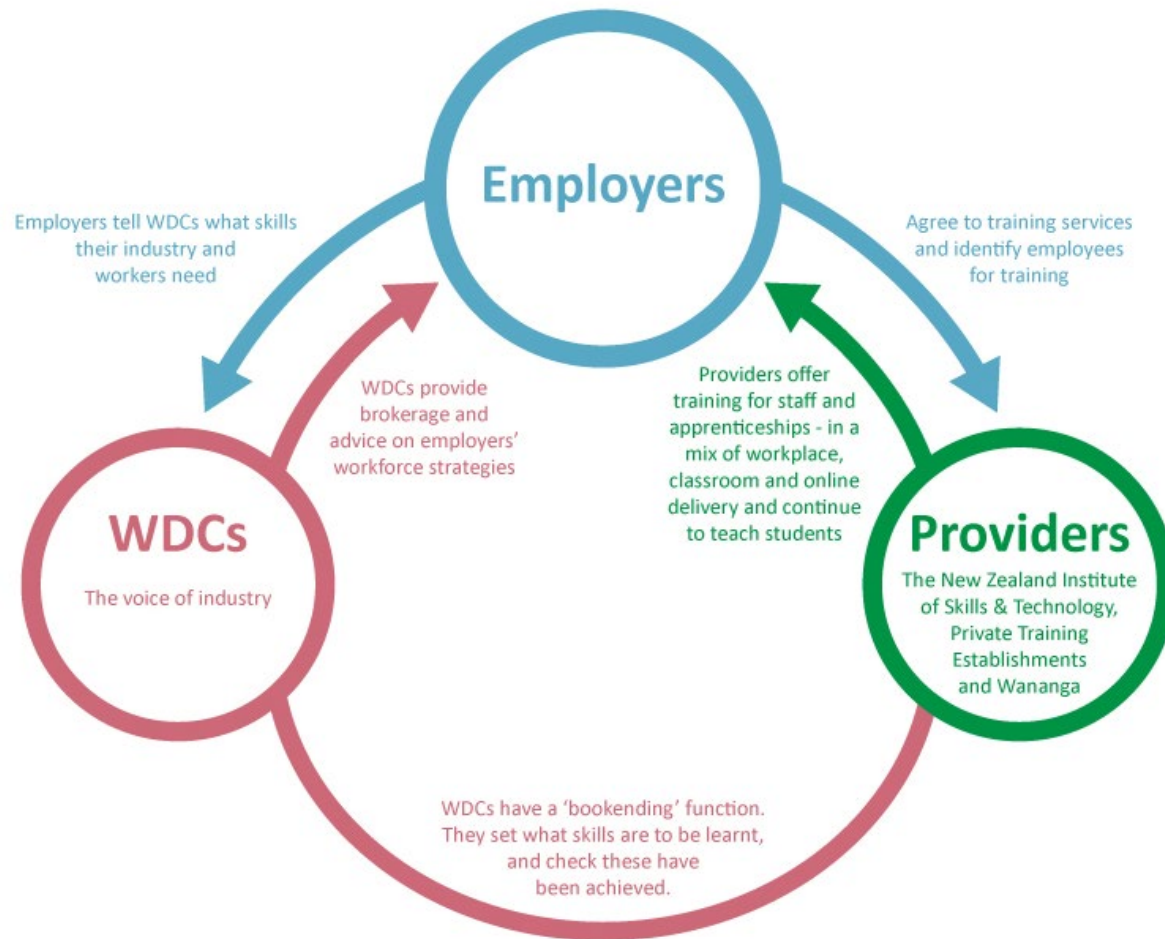
# Seven key changes, gradually introduced

- Create **Workforce Development Councils (WDCs)**: 4-7 industry bodies with leadership across vocational education
- Establish **Regional Skills Leadership Groups**: advising on regional skills needs across the system
- Establish **Te Taumata Aronui**: to ensure the commitment to Māori-Crown partnerships
- **Create the New Zealand Institute of Skills & Technology**:  
A sustainable, public network of regional vocational education, with new skills and capabilities to support work-based learning.

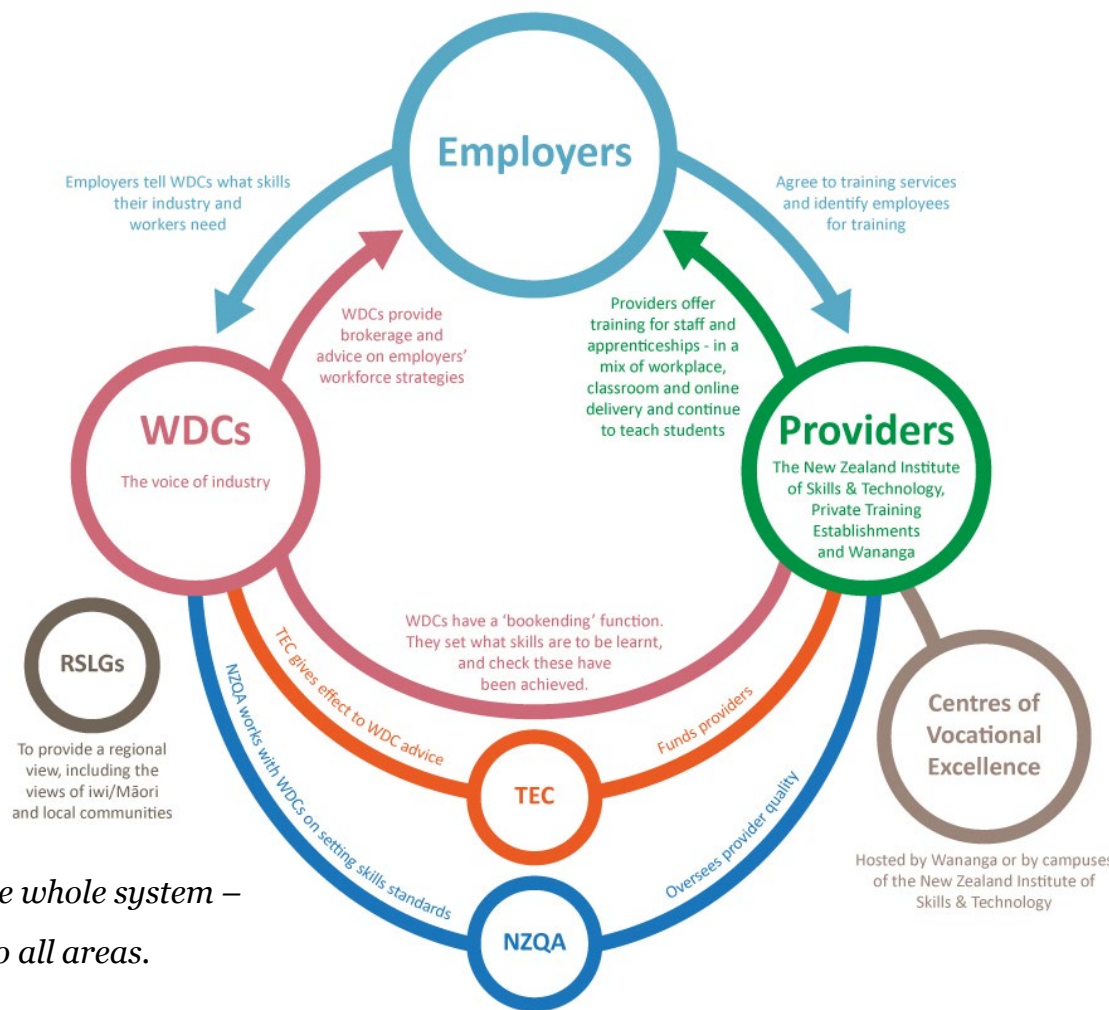
# Seven key changes, gradually introduced

- Shift **support for workplace learning**: The new Institute and other providers will support workplace-based, on-the-job training in the future
- Establish **Centres of Vocational Excellence (CoVEs)**: CoVEs will bring key stakeholders together to grow excellence and quality across the system
- Unify **the vocational education funding system**: A unified funding system to fund all provider-based education at levels 3 to 7 (excluding degree study) and all industry training (including level 2).

# A simplified system view...



# ... and a more detailed view



*RSLGs sit across the whole system –  
They have links into all areas.*



# What are Workforce Development Councils?

- Workforce Development Councils (WDCs) would have a key skills leadership function, setting standards and making sure these standards are being met by learners
- They will be industry led, and provide direction and advice to the TEC on the type of skills investment needed to support their industries
- This means the TEC would invest in education providers that are able to deliver the skills that your employees and trainees need.



# What are the differences between a current ITO and a future WDC?

## ITO

- 11 ITOs (plus non-funded Funeral Services ITO)
- Defines national skills standards
- Arrange training on behalf of employers in workplace and off-job
- All are charities (legally), established by industry
- Provide information on industry demand and need
- Don't deliver, but arrange, training

## WDC

- 4-7 WDCs which are statutory bodies with industry governance
- Greater ability to influence Government investment via TEC
- Standards setting function across all providers (through developing qualifications, standards and training packages )
- 'Bookending' of qualifications
- Greater skills leadership role (schools, marketing)
- May have other functions as agreed by the Minister

# WDCs - *key decisions already made*

- Establish a small number (around 4-7 WDCs)
- WDCs will influence the ‘what’ and ‘how’ of training
- WDCs will:
  - Provide skills leadership
  - Brokerage and advisory services
  - Investment direction and advice to TEC
  - Set skills standards and develop qualifications
  - Moderate assessments.

# Transition will be gradual

- There is the opportunity for a long transition, to make sure that it is as *smooth as possible*
- **We can assure you that existing support for training will continue**
- Changes will only happen when capability is in place and managed carefully
- We don't want to see disruption to the skills pipeline
- If you develop training materials today you will do so in the future
- The Minister will sign off each WDC's establishment plan and each ITO's transition plan.

# It's business as usual for you

- Your ITO will continue to support you and your trainees and apprentices
- The TEC will work with each ITO on transition plans for moving training support by the end of 2022
- We need to ensure provider/s have the right skills and capabilities to support you, and your needs
- Identifying how to retain ITO staff skills and capabilities is part of transition planning
- Right now, we are keen for your thoughts on the coverage, structure and shape of the new WDCs.

# What is yet to be decided?

*We need to hear from a wide range of stakeholders and industries to help shape WDCs individually and collectively*

- How should industries will be grouped under WDCs?
- What governance structure is right for industry – representative, skills based or a mix?



# Any questions?



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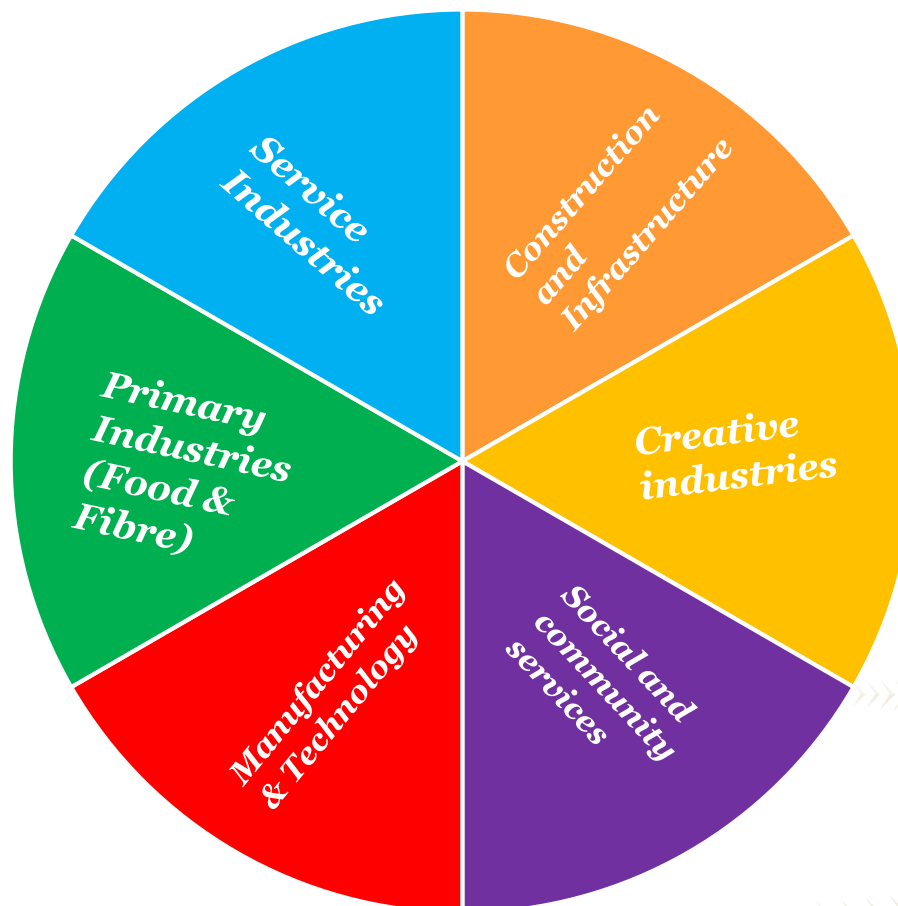
# Coverage

*What do we mean when we talk about coverage?*

- When we say ‘coverage’, we mean the industry groupings that would sit under each potential WDC
- For example, you may currently have a hairdressing salon and work with HITO. What industry grouping would you sit under in future?
- We’ve got a few ideas about how you could group industries, but we want your feedback here today.



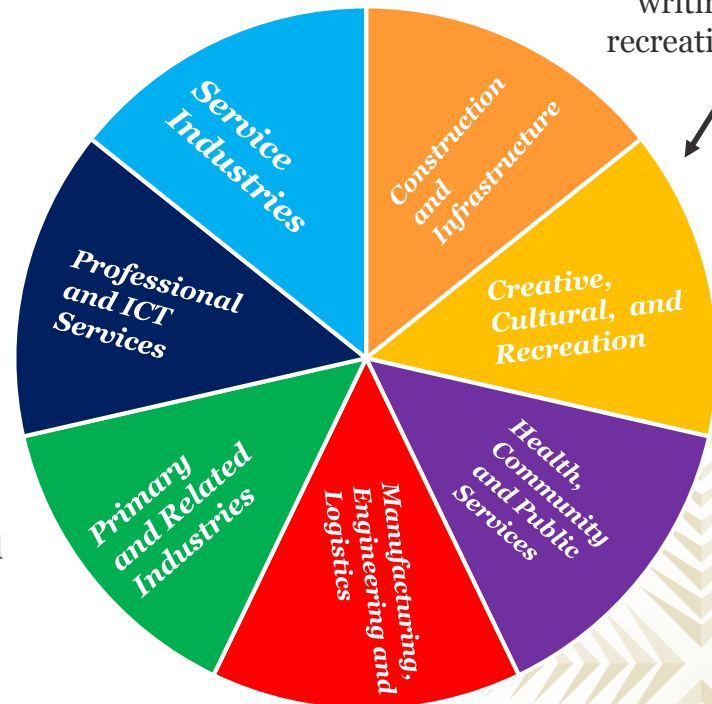
# Current six Vocational Pathways (VPs)



# ITO Sector has suggested an option with 7 WDCs



**Our current six VPs**



Includes creative arts, music, broadcasting, writing, sport and recreation, museum services

Includes financial and banking, professional services, IT, management

# Another option could see functions shared..

These functions could be shared regardless of the number of WDCs  
*(potential functions follow on the next page)*

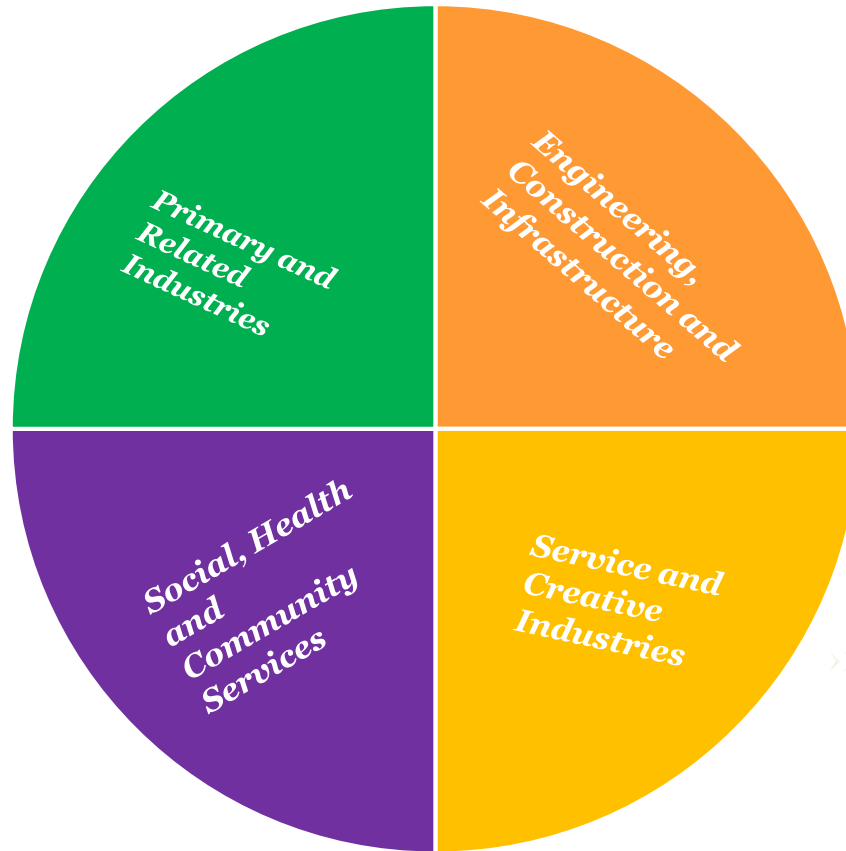


# What could the shared function include?

- Common skills standards such as management, literacy and numeracy, health and safety?
- Options for combined back office functions?
- Information procurement and sharing?
- Centralised TEC advice function?
- Centralised planning function for data?



# What about four broad groupings?



# Or we could vertically integrate

- All models have overlaps where industry can fit in more than one WDC.
- Other possible frameworks are Skills Aligned or Supply Chain (Vertically) Aligned
- For a Primary Industry WDC, for example, this could encompass a ‘pasture to plate’ approach

Approach	Standard Setting Grouped by:
Skills Aligned	Commonality of skill requirements across multiple sectors and industries
Supply Chain (Vertically) Aligned	Integration of the complete supply chain for a particular product or group of products

# We want you to think about the following questions

- Do you have a preference from the grouping models suggested? Or would you propose a different model?
- What do you think of WDCs sharing some functions – such as a centralised TEC advice function, or information sharing?
- › What is really important to you when it comes to potential WDC groupings?





# Workshop activity

## *Coverage*



# Governance

*The governance of an organisation refers to the oversight and activities of a governing body (board, committee, trust or similar) who set the strategic direction and goals of an organisation.*

*It involves a framework of values, processes and practices, which should direct the organisation and allow it to monitor progress and measure performance.*

# Governance

*Through this framework, a governing body can make informed decisions that:*

- *help the organisation achieve its purpose and goals*
  - *ensure the organisation operates ethically, and*
  - *ensure all laws and regulations are complied with.*

*This includes how different interests are represented.*

# Governance

- › How do you think the interests of employers and industry should be represented in WDCs?
- › Do you have any ideas of the types of Governance structures that may work well? Or how people could be chosen to be part of a Governance structure?
- › Do you think the governance structure should be skills based, or representative based (including, for example, iwi, employers or industry representation, male/female representation, geographic)?

# Workshop activity

## *Governance*



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# Next steps

The next areas we are keen to understand are:

- What capability will a WDC need?
- How do you as an employer ensure your voice is heard?
- How can WDCs share capabilities and advance issues common to all industries?
- What intervention frameworks (e.g. steps to be taken if WDC is not performing) would be appropriate?



# We know you will have more questions

- We are just beginning our process of working through WDCs and the transition of arranging training
- **We're taking a careful approach to this** – and that means we can't answer all of the questions you have today
- We will make sure that you remain informed







# Keep in touch

- There are lots of ways to be heard:
  - Talk to your ITO, industry association or member organisation
  - Visit our WDC section of the TEC website
  - Send your thoughts to **WDCs@tec.govt.nz**
  - Sign up to the TEC's RoVE newsletter – see our website or we can give you the link

