

**Principles we can all agree on, which serve as the starting point to guide reform**

- Any reform of the vocational education system should enable it to be responsive and adaptable into the future in order to deliver better outcomes, not just a piecemeal fix of perceived weaknesses in the current system. There is an opportunity to get this right, not just tweak a system that is not fit-for-purpose.
- The vocational education system should be geared to meeting industry needs so that learners are best equipped for their vocational path, helping to drive productivity, rather than being inherently government-facing as is the case currently.
- Clear role definition and accountability is required across the vocational education system so that training providers can be focused on delivery and assessment of training that meets the needs of learners and of industry.
- To enable vocational education to best meet the diverse needs of learners, especially given literacy and numeracy challenges many face and changing demographics, there needs to be choice of training provision, including work-based training, course-based, classroom-style learning and online learning.
- Work-based learning is critical in vocational education, and upskilling workplace-based trainers is key to ensuring that work-based training is effective.
- Getting it right for one sector, such as building and construction, could serve as a blueprint for other sectors.

**Ideas about how to achieve this***Industry-driven development of education standards & products*

Standard setting and course development is the best place for shaping training outcomes (vs delivery). An industry-owned and driven entity should be responsible for engaging with industry and developing standards, qualifications and programmes, to achieve the connection required between industry needs and educational product development.

As an example, the Building and Construction Workforce Development Council (WDC) could transition from a Crown Entity into a new independent entity [Newco], jointly owned and funded by government and industry to serve as this voice of the industry. Given that the industry is much closer to what is actually happening in the sector, it is critical to have that industry voice driving the right outcomes.

Newco would engage with industry and develop standards, qualifications and programmes, in consultation with NZQA and the Tertiary Education Commission to assure compliance from a funding perspective. Importantly, while NZQA would need to continue to play its monitoring and compliance role, it should be accountable to Newco to drive its responsiveness to industry and incentivise agility around the development of new educational products.

While the mechanism for funding an independent entity that is essentially a joint venture between government and industry would need to be worked-through, there are opportunities to use existing systems in this regard. For example, redirecting the proportion of funding that currently goes to WDCs for qualification development, and adding a training levy to the Licensed Building Practitioner Framework (LBPF) as a fair way to collect that industry's contribution, given that all Licensed Building Practitioners benefit from access to the skilled labour pool delivered by the vocational education system. However, it would be important to identify how levies could be collected from other parts of the industry and other sectors outside of the LBPF, in order to ensure this compliance cost is equally shared across industries and sectors.

Reflecting the strength of our conviction of this being the best way to deliver meaningful improvements in outcomes, BCTF would be prepared to make a capped investment in the set-up/operationalisation of an independent entity responsible for engaging with industry and developing standards, qualifications and programmes.

### *Training providers to focus on training provision and be tasked with self-moderation for efficiency*

Polytechnics, industry training organisations (ITOs), Private Training Establishments (PTEs) and online providers are all providers of different forms of vocational education. While they should all continue to be focused on the delivery of training in the most effective and efficient manner, they should also be empowered to quality-assure and moderate their own work (after being approved by the Ministry of Education to do so).

It is recommended that this would be subject to bi-annual audits by NZQA, who would in turn be accountable to Newco, as outlined above, to ensure the audit process does not in practice become a way of setting standards by proxy. By eliminating the need for the moderation and capstone assessments currently done by the WDCs, this would drive efficiency in the system and reduce cost.

### *Drive quality and consistency into work-based learning*

The skills of employers undertaking work-based learning have deteriorated over time, coinciding with the increased complexity and compliance requirements of the construction sector. In addition, there are limited mechanisms currently to assure workplace trainer quality, whereas internationally, there are higher bars for employers to reach to be a trainer.

While it may not be feasible to address this through changes to the Companies Act framework, there are other ways to introduce a higher bar for employers who deliver work-based training. For example, by introducing minimum and advanced standards through an accredited recognition pathway that is aligned with the LBPF. That additional training for employers could be provided by trade associations or by vocational education providers for wider access.

The introduction of standards for employers of apprentices would help maximise the benefits of Government's ongoing commitment to/investment in the Apprentice Boost Scheme, which is welcomed as it creates the right incentives for employers to take on apprentices.

### *Funding system to enable adaptability and incentivise a focus on what industry needs*

With further fundamental reform of vocational education comes an opportunity to address the incentives inherent in the existing funding system to keep students in training for longer, rather than to produce trained people as efficiently as possible. While we understand the reasons for Government's decision to change the fees-free policy to apply the free year of fees to the last year of study, in vocational education/trades training this may exacerbate the existing perverse incentives around duration of study.

The funding system must also be able to accommodate micro-credentials and smaller apprenticeship trades (like Gib fixers, Monumental Masons etc), which are very narrowly focused but critical. Currently, there are a number of smaller apprenticeship trades in the construction sector that are able to be delivered only by some unintentional (or intentional) cross-subsidisation from other trades.

Strategic thinking is also needed around how existing investments can be reprioritised to achieve outcomes. For example, is there an opportunity to sell property held by polytechnics, which is currently underutilised, to release capital for reinvestment into fundamental reform of vocational education?

### **Industry engagement is a critical determinant of successful reform of vocational education**

To make fundamental changes to the vocational education system will require meaningful industry engagement. BCTF would welcome the opportunity to participate in this process as an organisation that represents 17 trade members, their 12,000+ employer firms and around 25,000 learners.

In addition to our openness to helping to establish an independent entity responsible for engaging with industry and developing standards, qualifications and programmes (as above), we will play an ongoing role in building capability across the sector beyond the vocational education system. This will be through providing funding for building industry participants to improve their skills as providers of work-based training, scholarships for advanced study, networking opportunities to share best practice, and promoting the trades as a career, all of which dovetails with the vocational education system.