
Submission on the Reform of Vocational Education

New Zealand Marine & Composites Industry Training Organisation

Introduction

New Zealand Marine (“NZ Marine”), the Composites Association of New Zealand (“CANZ”) and the New Zealand Marine & Composites Industry Training Organisation (“NZMAC”) are committed to participating in a strong VET system. It is vital for the future of New Zealand, and we welcome the opportunity to discuss any efforts to ensure a unified, integrated and future-proofed VET system for New Zealand. We believe our current structure and way of operating already delivers this; we are also open to change and improvement in the VET system and welcome the opportunity to contribute to the wider conversation through this submission.

NZMAC is the smallest ITO and we believe, the most efficient and effective. We believe that we can present ourselves as a model for how industry training should work. We see effective industry training as built on strong relationships with employers and learners.

NZMAC ITO is a world leader in apprenticeship training. In 2018, it won an international award for the best apprenticeship training programme in the world at the Boat Builder Awards, the global marine industry’s leading awards. Chris van der Hor, General Manager, said at the time,

“This prestigious award supports our vision in creating a world-class apprenticeship model through design and delivery, from a passionate and dedicated group of people.”¹

There have been over 2000 graduates of the programme, of whom many are now running boatbuilding or marine service companies around the world. Other nominees for the award included high profile companies and training organisations from a wide spread of countries. NZMarine executive director, Peter Busfield, said,

“This award acts as recognition to the many New Zealand employers who contributed to the writing of the apprenticeship program, and to the more than 200 employers who have 450 apprentices in the NZMACITO programme between them.”²

¹ Chris van der Hor, NZ Marine apprenticeship scheme named best in the world, <http://www.nzmacito.org.nz/news/item/nz-marine-apprenticeship-scheme-named-best-in-the-world>

² Peter Busfield, NZ Marine apprenticeship scheme named best in the world, <http://www.nzmacito.org.nz/news/item/nz-marine-apprenticeship-scheme-named-best-in-the-world>

The NZMACITO assists apprentices in learning practical, transferable skills. It's already proven so successful that it's been licensed by other training providers around the world – something which is expected to increase with this award. Leading marine industry employer, Jason Dickey says,

“We currently have a world class education system that is recognised and has been awarded globally – this training produces world class tradespeople, that build world class products”.³

We note that under the proposed reforms, the ITO would be disestablished and ‘Industry Skills Boards’ set up. NZMAC could apply to become an Industry Skills Board and, if so, would continue the role of working with industry to determine the skills they need.

We support the proposal to “**Extend the leadership role of industry**”, but we are concerned that this goal will not be achieved with the reforms as they are proposed. In order to achieve this, the system must be **industry-led**, not **provider-led**. The reforms propose that the new amalgamated polytechnic, NZIST, would be

“responsible for **delivering and supporting all vocational education** and training whether it took place at a provider’s facilities **on campus or in a workplace**”,

and we are concerned that such a reallocation of activity would reduce and/or diminish the leadership role of industry.

³ Jason Dickey, letter of support, 31 March 2019, refer Appendix 1

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Executive Summary

We support:

- The proposal to ***‘extend the leadership role of industry*** and employers across all vocational education.
- The development of a comprehensive, resilient and robust VET system as the platform for all industry training that is as flexible and frictionless as possible to ensure maximum participation of trainees and employers.
- Fair, consistent and appropriate funding that incentivises engagement and avoids perverse behaviours and outcomes.
- A rebalancing of the system across two axes:
 - A move to more in-work training and less on-campus delivery
 - A move to more industry-led, and less provider-driven training.
- A learner-centric system.

We oppose:

- The proposal to ***‘transfer to vocational education providers*** the ITOs’ current role of ***supporting workplace learning and assessment for work-based vocational education’***.
- The proposal that NZIST, would be “responsible for **delivering and supporting all vocational education** and training whether it took place at a provider’s facilities **on campus or in a workplace”**.
- The separation of the **delivery and support of vocational education** from **standard setting**.
- The decoupling of the relationship between the employer and the standard-setter.
- Any move from **industry specialisation** to **provider generalisation**.

We have concerns about:

- The lack of an identified ‘problem’ that the reforms are attempting to address.
- The expectation that a ‘one-size fits all’ approach will unify the VET system, when the ITO system recognises that each industry is a different size and needs a solution that is ‘fit for purpose’.
- The limited time for the consultation process.
- The implications of separating of training and standard setting.
- The loss that will likely occur when the system moves from people to paper – from ITOs personal approach to ITPs bureaucratic approach.
- The potential unravelling of the industry/trainer/employer/learner network.
- The risk of ‘qualification flight’ as employers will continue to train but choose not to qualify, their staff.

We assert:

- NZMAC is the smallest ITO, and the most efficient and effective for the industry we serve.
- We can present ourselves as a model for how industry training should work.
- We see effective industry training as built on strong relationships with employers and learner-centric.
- A VET system for the purposes of the marine and composites industry would:
 - be marine and composites industry-led;
 - be tailored to workforce needs of the marine and composites industry;
 - support the delivery of relevant skills where and when required;
- The current NZMAC ITO model is a powerful model for a new environment
- NZMAC ITO is ready to become the Maritime, Marine & Composites ISB
- We can continue to do this with an equal partnership with NZIST for on-campus training, noting that
- there is no overlap in the marine/maritime sectors and so the reforms would have no role here, nor achieve any efficiencies

We also believe:

That if the Reforms of Vocational Education were implemented as proposed:

- The system would be less flexible.
- The system would be no simpler.
- The system would be less responsive to employer needs.
- Industry may dial back their investment in the formal VET system.
- There will be a huge culture shock of change within both the ITP sector (among ‘educators’) and the ITO/ISB sector that entail fundamental risks in proceeding.
- The system will likely be more expensive with duplication of activity and roles.
- The system would be no better placed to handle the challenges presented by the counter-cyclical nature of demand for on- and off-job provision.
- There would be a very real risk of a decline of workplace training and employer engagement – ‘training flight’.

Our suggestions:

A well-designed VET system could – and should – deliver seamlessness, affordability, and skills responsiveness, while also helping meet needs of ITPs, maintaining industry engagement and avoiding structural upheaval. This could be done by:

- Consolidating the polytechnic sector to ensure its consistency and coherence.
- Slowing down the process by addressing the amalgamation of the ITPs into NZIST first (for implementation in early 2020) to be followed by a more measured integration of ITOs and/or ISBs when the landscape is better known and understood
- Strengthening standard setting but do it by increasing and enforcing powers of ITOs.
- Avoiding the separation of arranging training from standard setting.
- Restoring the Skills Leadership role

NZ Marine & Composites Industry Training Organisation

The NZMAC ITO (at the time, known as the Boating ITO), was established in 1994. During 2007, an extension of coverage took place to cover training for the composites manufacturing industry. NZMAC ITO's mission statement to its stakeholders is clearly articulated in the statement:

“Provide leadership in the development of skills and training excellence, to the marine and composites industries”.

The NZMAC ITO is a division of the Boating Industries Association of New Zealand Inc. trades as the NZ Marine Industry Association.

NZMAC ITO is the *only* organisation that issues National/New Zealand Certificates for its sector coverage, providing clear pathways for young people and trainees within the Marine and Composites Industries in New Zealand. It is fully integrated within the marine and composites industry representative associations, and has active, strong, and wide-reaching industry engagement within its focused and specialised sector groups. These groups include;

- NZ Marine Export Group
- NZ Composites Association
- Commercial Boat Group
- Refit Group
- CPC Manufacturers Group
- Royal Institute of Naval Architects (RINA) NZ
- Marina Operators Association
- Boatbuilders Group
- Research & Development Committee
- Services & Suppliers Group
- Health, Safety & Environment Group
- Regional Committees

These groups have allowed NZMAC ITO to be fully responsive to the training requirements of the Marine and Composites Industries. Through on-going industry consultation, and through engagement with the various sector bodies, the NZMAC ITO has an intimate knowledge of the skill and labour market requirements of the marine and composites industries which enables the NZMAC ITO to provide strategic leadership to the industries it serves.

From the inception of NZMAC ITO it has had a philosophy of *working with employers to provide learners the best opportunity to gain the skills and knowledge to build successful lives*. This has resulted in the need to ensure learners have access to quality learning resources that add value to the learning outcomes. This has come at its own expense as ITOs are not required to develop these resources. Additionally NZMAC ITO has since the introduction of modern apprenticeships provided all learners pastoral support regardless of age and qualification, despite not being funded for these activities. This clearly demonstrates NZMAC ITO's leadership role towards industry training.

What New Zealand needs from a VET system

A comprehensive, resilient and robust VET system must be the platform for all industry training. It needs to be fair, consistent and funded appropriately to incentivise engagement and avoid perverse behaviours and outcomes. It must also be as flexible and frictionless as possible to ensure maximum participation of trainees and employers.

This will need a rebalancing of the system across two axes:

1. A move to more in-work training and less on-campus delivery.⁴
2. A move to more industry-led, and less provider-driven training

Key elements of a VET system

A resilient VET system therefore, would combine these two axes and be **industry-led/in-work** and not **provider-driven/on-campus** – which is currently the primary way ITPs engage with VET training. The RoVE proposals are based on a **provider-driven/in-work** model but there is little in the idea or its documentation that suggests this would be effective.

A strong VET system must also acknowledge and reflect the varied range of needs and training across all industries – the provision of safety training for a forestry worker must be different to that for a hairdresser (woe betide the attempt to cut a tree with scissors or hair with a chainsaw...). One size does not fit all and a centralised system risks favouring one-sizing over right-sizing.

A flexible VET system must enable seamless transitions and progressions for learners across the system through micro-credentials, individualised pastoral care and an industry-led understanding. It must also be able to manage the counter-cyclical nature of on- and off-job training as need responds to economic cycles.

A mature VET system must establish a parity of esteem; for too long industry-led, in-work training has been seen as the ‘poor cousin’ of provider-driven on-campus training and so has resulted in apprenticeships and on job training getting a bad rap. This has created an unnecessary credibility issue particularly with schools and parents. Simply relocating the responsibility for delivery to a public provider will do nothing to change this.

A sophisticated VET system would evolve through a partnership model between public and private providers – ITPs and ITOs – where the respective roles would be determined through respective strengths. The strength of the ITO system is the relationships with employers and the focus on the learner journey.

There is consensus that the ITP sector needs stabilising and the issues it faces are many and significant, with public VET provision being just one. Dismantling and reassembling the entire VET system is not a robust solution; when the ship is sinking, the solution is not to drain the harbour.

⁴ This was not clearly articulated in the RoVE proposal documents, but the Ministry of Education has firmly stated this in meetings, including by Grant Klinkum, speaking at an Industry Engagement Session at Unitec on March 20 2019

Key recommendations for a VET system

What is needed is a fit-for-purpose, flexible and frictionless VET system; one that is seamless affordable and responsive to skills needs, while also helping meet the needs of ITPs and maintaining industry engagement; one that avoids structural upheaval. In order to achieve this, the following needs to occur:

1. Place the learner at the centre of the system
2. Surround the learner with a committed employer, a connected industry and individualised pastoral care
3. Surround the employer with responsive industry-led training support
4. Give individual employers (not just industry) an immediate say at the point of delivery.
5. Connect employer feedback directly to the standard-setting body – the ISB
6. Consolidate the polytechnic sector to ensure its consistency and coherence, perhaps through the creation of NZIST.
7. Slow down the process by addressing the amalgamation of the ITPs into NZIST first (for implementation in early 2020) to be followed by a more measured integration of ITOs and/or ISBs when the landscape is better known and understood
8. Strengthen standard setting but do it by increasing and enforcing the powers of ITOs (or ISBs).
9. Do not separate the **delivery and support of vocational education** from **standard setting**.
10. Create a different responsibility for NZIST from the **delivery and support of vocational education**. Once NZIST is established a clearer and perhaps more significant role will emerge that will integrate better with the ITO/ISB sector.
11. Consolidate the funding model in a way that accurately reflects the costs of different types of VET learning in order to eliminate perverse incentives that could drive the system back towards more on-campus delivery.

What the marine and composites industry needs from a VET system

The New Zealand Marine and Composites Industry Training Organisation believes that in our industry a fit-for-purpose VET must:

- be marine and composites industry-led;
- be tailored to workforce needs of the marine and composites industry;
- support the delivery of relevant skills where and when required;
- acknowledge the small scale of most employers and the demands on their time as SMEs;
- incentivise employers appropriately to participate;
- include strong regional provision and clear national consistency; and
- be scaled up: “What New Zealand needs from a VET system is more VET”.

Assessing the RoVE Proposals

The leadership role of industry

The RoVE proposals are bold, courageous, ambitious and flawed. The intent of Proposal 1 – to “**Extend the leadership role of industry**” is noble and needed but the mechanisms to achieve this are crude and likely to be ineffective. Worse they could have the effect of *reducing* the leadership role of industry. The intent that NZIST would be responsible for **delivering and supporting all vocational education** is problematic as it effectively decouples the connection between industry and the learner. This would be a retrograde step. In the marine and composites industry the delivery of training is overseen by NZMAC and critical training opportunities are recognised and enabled quickly through an intimate connection with the industry. Were this function to be transferred to a centralised provider, the industry connection becomes tenuous, not close, and NZMAC (as ITO or ISB) would be disconnected from both the training and the workplace; this will effectively undermine the trust that has been built up over many years. As marine industry employer, Jason Dickey says,

“if it is all rushed through, there will be damage to our industry and our ITO that will not be able to be reversed. The cost to make these changes and then change back again will be huge. The trust the industry currently has in our system will be completely lost. The value our learners gain from our industry qualifications will be lost. The companies that support learners currently will do their own thing once they lose trust. Recovery would be slow and costly at best.”⁵

Any move to extend the leadership role is laudatory but if the outcome is that the role is reduced then it will have failed. No evidence is provided in the proposals that they will extend the leadership role of industry. Nor is there any process designed to assess their effectiveness or amend or revisit the system redesign should the effect of its implementation be a reduction in the engagement of industry and the participation of learners. As leading marine industry employer, Jason Dickey, says,

“Learners and Industry are the market – lose us (the industry/learners) and it doesn’t matter how you structure the NZIST.”⁶

The Marine and Composites Industry

There is often confusion in proposed reforms such as these between the terms ‘industry’ and ‘employer’. There are many high-level statements surrounding the current reforms of vocational education about ‘what industry wants’ or the ‘role of industry’. This implies that industry is all one thing and thinks with unanimity on all things – whether that is the textile or motor industry. Industries in New Zealand are many and varied and every one of them is made up of employers – themselves, many and even more varied. It is a mistake to think that a solution for all industries will suit all employers and all workplaces. And yet these reforms are built on this premise and the solution risks being one-size-fits-none.

The industry served by NZMAC ITO is a small but high-value specialised manufacturing sector with a high proportion of exports. In spite of its small size it is the largest

⁵ Jason Dickey, letter of support, 31 March 2019, refer Appendix 1

⁶ Jason Dickey, letter of support, 31 March 2019, refer Appendix 1

manufacturing sub-sector outside of food production. Over 50% of its output is exported and it is a significant player in the international marine industry with wealthy billionaire owners bringing their boats half way around the world to be refitted. The revival of the America's Cup and its development into one of the world's elite sports was built on the innovation of New Zealand's marine and composites industry in the late 1980s and 1990s. Employers – and also workers and learners – in this industry are makers and doers. They are innovators and inventors, dynamic, forward-thinking and responsive to the fast turnaround of a rapidly changing international world. No moss grows here. Susan Lake of the Composites Association of New Zealand says,

“Our Industry is specialist tradespeople in manufacturing and delivers high value exports to the world. We rely on the current Apprentice programme as delivered through NZMAC ITO to grow our industry.”⁷

They are also often very small businesses and yet they strongly support the need for high-quality responsive vocational education with an enviable record of taking on trainees and apprentices. They do this because they all remember that they started out young and keen once – and were probably assisted by someone just as keen but not quite as young. The commitment to passing on knowledge and understanding is significant and will all be put at risk if these reforms proceed. Introducing a 'Provider' to take over delivery and support of trainees in an industry where no provider currently operates will undermine the close relationships the employers (who together make up the industry) have with the ITO.

The risk here is not just to the quality of training that learners will get, or the level of participation employers, but also to productivity in the sector, New Zealand's export earnings and its excellent reputation in the international marine and composite industry. These national business, reputation and export risks are unintended consequences of what – on the surface of things – appears to be simply a restructure of education. The failure of the authors of the reforms to understand the deep risks and potential damage that the reforms could do to the economy, to productivity and to our exports is a testament to how little consideration has been given to the broader consequences of the reforms.

Decoupling

The role of the Field Officer in supporting the learning of the trainees is highly valued within the marine industry. Lloyd Stevenson Boatbuilders have employed and trained apprentices continuously for over 30 years, under both the old apprenticeship scheme and the current model. Tracey Stevenson says,

“We have found that the involvement of the ITO Field Officers has increased our capabilities and capacity to train and supervise apprentices (in recent years we have had up to 10 apprentices in training), it has also been a very successful model for dealing with diverse learners and young people who have not been successful engaging with the secondary school system. The support from a field officer is targeted at the individual's learning needs at each different point through their apprenticeship. The assistance that a field officer who has an intimate understanding

⁷ Susan Lake, letter of support, 31 March 2019, refer Appendix 1

of the learning needs of our apprentices and the workflow in our organisation has assisted us in forward planning training opportunities.”⁸

The proposals as written would also see a decoupling of the relationship between the employer and the standard-setter. Currently a Field Officer working with a trainee in a workplace can observe new practices of an employer and feed these directly back to the programme development team at NZMAC who can respond by updating the training or reviewing the standard. Another key employer, Pauline Pringle of Smuggler Marine says, “the involvement of the ITO field officers [has been] invaluable in keeping our trainees on track, especially those learners who were not particularly successful in the academic environment schools provide. The ITO officers assist trainees in ways which enable them to achieve their apprenticeship in a timely manner, and takes the responsibility for their paperwork from our company trainers, giving them more capacity for supervision and training”.⁹

This is confirmed by Susan Lake of Core Builders Composites who says, “the separation of delivery of workplace training from the “Industry Skills Bodies” would cause a disconnect between the Industry, content and learners – which could have disastrous result of learners being taught skills which the Industry does not value. We have already seen this outcome with the current Polytechs producing graduates which are less fit to be Apprentices than new school leavers.”¹⁰

Under the reform proposals, the Field Officer role would be ‘managed’ by the provider – likely without the intimate knowledge of the marine industry. This would mean that the Field Officer would be less likely to observe or understand evolving industry practice and, if they did, would report back to the provider (‘responsible’ for delivery in this new model). The onus would then be on the provider to pass these observations and understandings on to NZMAC, as the standard-setting body. Adding an additional – and likely inexperienced or, at least, unaware – step to the process would weaken and compromise the process. As Tracey Stevenson says,

“feedback that we as employers give the field officers is acted upon to help improve processes and opportunities for training. We value having marine-specific experienced field officers coming into our workplace.”¹¹

The proposed ‘delivery’ role of the Provider

The proposals state that NZIST would undertake this delivery and support whether it took place at a provider’s facilities on campus or in a workplace. Quite simply, NZIST would not be able to ‘**deliver**’ – and are not equipped to ‘**support**’ – within a workplace and to attempt to do so would be an unravelling of the VET process. The simple inclusion of this statement demonstrates how little understood the VET process is by the reforms’ writers. ITOs tend not to ‘**deliver**’ in the workplace – this is the role of the employer, supported by the ITO.

⁸ Tracey Stevenson, letter of support, 31 March 2019, refer Appendix 1

⁹ Pauline Pringle, letter of support, 31 March 2019, refer Appendix 1

¹⁰ Susan Lake, letter of support, 31 March 2019, refer Appendix 1

¹¹ Tracey Stevenson, letter of support, 31 March 2019, refer Appendix 1

This lack of understanding is evidenced by the information provided to staff in the ITP sector where it is stated:

‘If you are an educator, you would have more time to spend “at the frontline” with learners and employers’¹².

For those working in industry – employers, learners and those within ITOs – this “frontline” is completely nonsensical and the idea that an ‘educator’ would turn up to spend time at it, risible. Contrary to what is clearly intended by this proposal, the provider would not be conducting ‘classes’ in the workplace. This is not simply a matter of moving content off the campus and into the workplace but would require a more nuanced and targeted form of training support, designed to suit the individual employer. Jason Dickey has said,

“NZIST can *support us* but should in no way have control of the training, the learners or the standard setting”.¹³

The relocation of the role of the ‘educator’ from a classroom to the workplace is beset with problems. Training support in the workplace is currently done by experienced Field Officers – their experience is learner-centric, industry-specific and employer-focused with a deep understanding of the nature of individual workplaces they visit. ‘Educators’ currently employed in the ITP sector have none of this experience and no amount of rapid adaption will address this experience gap. Educators and Field Officers are significantly different roles operating within very different cultures and their ‘merging’ into one – or transposition of one with the other – is insulting to those who do either roles currently. Field Officers, as well as supporting training in the workplace also liaise with employers about their needs.

Given that this activity is to stay with the ISBs, it is assumed that the transposed ‘educators’ will not do this role (they certainly wouldn’t, with their current skillset, be able to); this will then necessitate the duplication of the role: educators, employed by NZIST, entering heretofore unknown and unfamiliar workplaces (to deliver and support) and Field Officers, employed by the ISB, to liaise with employers.

The Reform documents are contradictory in their expectations of how the delivery will operate stating,

‘More vocational education could resemble apprenticeships, with education providers and employers working together to help a learner meet industry skill standards via a mix of work-based learning occurring in the course of doing a job, and structured learning supported by a provider off-job where needed – regardless of whether the learner is employed.’¹⁴

This suggests that the Provider will ‘deliver’ a mix of “work-based learning ... and structured learning ... off-job where needed” for those learners without jobs. Exactly how will the provider deliver work-based training to someone not in work? It appears that this is a backdoor way of NZIST continuing to deliver on-campus only – the exact opposite of the

¹² What the Government’s proposal would mean for ITP management and staff, p4

¹³ Jason Dickey, letter of support, 31 March 2019, refer Appendix 1

¹⁴ What the Government’s proposal would mean for ITP management and staff, p3

intent of the Reforms to move in the general direction away from on-campus delivery towards in-work training.

It appears that this discussion of the future role of the ‘educator’ within the reform guidance for ITP management and staff has been included as a panacea to ITP staff to persuade them that their jobs are not at risk. It is noted that there is no such assurance given to ITO staff in the guidance for ITO management and staff. Elsewhere the reform documents state that ‘The transition [of ITOs] to ISBs would need to be smooth’ with officials recognising ‘ITOs’ existing skills and capability’.¹⁵ It is extremely optimistic to expect the transition to be ‘smooth’ when a considerable amount of the ITOs workforce will be made redundant to make room for their replacements from the ITP sector.

The proposed ‘support role of the Provider

The idea that the provider could ‘support’ the trainer in the workplace is similarly misguided. Currently this support is done through a deep understanding, and with the respect, of the industry from all parties involved: the employer, NZMAC and the Field Officers. The reforms proposals would remove the latter two parties from the equation and replace them with a touchpoint at a distant campus, with no industry connection this would undo all the good will that has been established over many years. The Reforms Proposals acknowledge that this will not be easy, ‘While education providers are accustomed to supporting learners in provider-based settings, officials consider that they would need to rapidly adapt their support mechanisms for workplace-based learning’¹⁶. Marine industry employer, Pauline Pringle says,

“The field officers get to know the apprentices at a personal level and are able to target their learning needs. Also with their experience in the marine industry, field officers are invaluable in helping improve our processes for training plus allowing us to plan what work we need to make available to the trainee”.¹⁷

Which begs the question: why create a new channel for supporting work-based training, operated by people with no experience in this area, who will need to ‘rapidly adapt’ to do so, when a perfectly good system already exists? If the ITP sector had the ability to ‘rapidly adapt’ why haven’t they done so in the past thirty years? The Proposals also state, ‘Providers would no doubt grow into this role in future.’¹⁸ Actually, there is doubt, and quite a lot of it. It seems extraordinarily casual to make such a radical and disruptive change to the entire VET sector on the hope that the Provider and their staff will ‘grow into the role’ in the future. What happens if they don’t, if no ‘growing’ occurs? Or as Jason Dickey asks,

“How is any other entity going to put as much care into our industry training?”¹⁹

¹⁵ Proposal on roles of providers and industry bodies, Technical discussion document, P7

¹⁶ Proposal on roles of providers and industry bodies, Technical discussion document, P14

¹⁷ Pauline Pringle, letter of support, 31 March 2019, refer Appendix 1

¹⁸ Proposal on roles of providers and industry bodies, Technical discussion document, P14

¹⁹ Jason Dickey, letter of support, 31 March 2019, refer Appendix 1

Location of training

Unfortunately there is too little detail in the proposals to form a clear understanding of how this will all happen and the concept raises more questions than it answers. The proposals around the purchasing role of ISBs are light and general, saying, 'Instead of purchasing provider-based components of work-based training programmes for employers, as ITOs currently do, Industry Skills Bodies would have a formal role in advising the Tertiary Education Commission (TEC) about where investment is best utilised.'²⁰

Proposal 1 states that ISBs would give, 'advice to the Tertiary Education Commission, which TEC must give regard to.'²¹ How this regard is given is entirely unclear. Although Chief Executive, Tim Fowler, has said that ISBs will establish industry needs and tell the Provider what training it needs and where – on-campus or in-work – it needs to be delivered.²² It is unclear if the Provider has received this message, or will happily do so in the future or if TEC will 'give regard' to the expectations of the ISBs. Currently, understanding the proposals and their implications is a combination of interpretation of the consultation documents, unsubstantiated conversations and hope.

The marine and composites industry is concerned that its niche offerings will get lost in the bigger picture of the Provider's priorities. Currently the boutique industry's needs are well understood and met by the ITO but as one industry employer, Tracey Stevenson says, there are,

"risks associated with a large monopolistic training provider just not seeing the sector as a priority due to numbers".

The role of ITOs

The Reform documents are also woefully ignorant of the role of ITOs, seeing them as nothing more than logistical arrangers, 'ITO's currently develop and maintain logistical arrangements that ensure the delivery of training and assessment works efficiently and effectively for employers'²³ and mistakenly call this work as being 'industry and employer-centric and not learner-centric.'²⁴ Nothing could be further from the truth. ITOs generally, and NZMAC specifically, are effective when they are learner-centric, which is their core business. All of NZMAC's processes are based on the learner's needs and how well they can be supported in employment. Jason Dickey says,

"The ITO is in our companies talking to our trainers and trainees alike, at our industry meetings via the governance structure, and represented by our industry members. We volunteer to do this work. If we are prepared to invest our time into what we have currently, the question needs to be asked "what are the motivations, and will the new structure create these motivators?" The answer is no. There is no substitute for *ownership*. This is the ultimate motivator and why we are all here. We own the outcomes and therefore care about the inputs."²⁵

²⁰ What the Government's proposal would mean for ITO management and staff, p2

²¹ What the Government's proposal would mean for ITP management and staff, p3

²² Stakeholder Engagement Meeting at Business New Zealand, March 14 2019

²³ Proposal on roles of providers and industry bodies, Technical discussion document, P14

²⁴ Proposal on roles of providers and industry bodies, Technical discussion document, P14

²⁵ Jason Dickey, letter of support, 31 March 2019, refer Appendix 1

The employer and industry are essential parts of the mix but they are not at the centre – the learner is. Susan Lake, General Manager of Core Builders Composites, says,

“We strongly believe that vocational training must centre on the trainee and the Industry and this is exactly what NZMAC ITO has delivered to us.”²⁶

The Reform documents seem determined to weaken this role in order to justify the transfer of this activity to the under-performing ITP sector which it has acknowledged elsewhere will need to ‘rapidly adapt’.

The weakening of the ITO role

This weakening of the ITOs is contrary to the intent elsewhere stated that ‘Industry would continue to have role at a national level – and in fact a much stronger role - through the proposed *Industry Skills Bodies*.’²⁷ This Reform document also acknowledges that, ‘These changes would require significant change processes for ITOs (and for providers).’²⁸ So, in essence, the reforms are designed for ISBs to have a ‘much stronger role’ while relinquishing the key activities of the ITOs to providers, who must ‘rapidly adapt’ to a new environment that they are expected to ‘grow into’. This appears very much to be change for change’s sake.

From industry specialisation to provider generalisation

Of greater concern is that the Reforms are a move from **industry specialisation to provider generalisation**. ITOs are by definition specialist organisations, supporting the training of learners to become specialists in specialised industries; ITPs are by nature generalists that have spent decades diversifying and broadening what they teach, seeking the holy grail of commonality across disciplines reducing education to rubrics and organisations to metrics. Centralising their processes and giving them responsibility for specialist areas that they know little about will lead to further generalisation (in the name of efficiency) not less – at the price of specialisation, the engine upon which industry runs. As one of our employers, Jason Dickey has noted,

“[ITPs have] already proven to be a failed structure, and giving things a new name is short sighted and demeaning for trades.”²⁹

Another employer, Susan Lake of Core Builders Composites says,

“We are an Accredited Employer with Immigration and Composite Technician is on the Occupational Shortage List. But we remain committed to work-place training as the preferred solution to the skill shortage which is current restricting our growth.”³⁰

²⁶ Susan Lake, letter of support, 31 March 2019, refer Appendix 1

²⁷ What the Government’s proposal would mean for ITO management and staff, p3

²⁸ What the Government’s proposal would mean for ITO management and staff, p3

²⁹ Jason Dickey, letter of support, 31 March 2019, refer Appendix 1

³⁰ Susan Lake, letter of support, 31 March 2019, refer Appendix 1

Responsiveness to change

The marine and composites industry is constantly changing and requires a VET system that recognises this rapid change and can support trainees who need appropriate specialist input and support. This doesn't come from standard setting alone – a measured but slow process – but from direct support from industry knowledgeable Field Officers. One marine and composites employer is responsible for making all the wings (masts) for all the yachts in the America's Cup. As the teams prepare, the designers are constantly refining their designs in a pressured environment. The specifications for the vessels, components and wings can change in a matter of a few weeks and the company – and its trainees – must adapt quickly. This is possible in the ITO environment where they can get urgent and relevant support; this simply will not work in a world where the training is 'delivered and supported' by a 'centralised' provider.

Problem definition

The reforms are long on solutions but short on the problem that they are trying to solve. It is clear that there are problems with the ITP sector and Proposal 2 addresses this through the creation of NZIST, 'bringing together the 16 existing ITPs as a single entity'.³¹ But there are no clearly identified problems with VET generally or ITOs in particular. MoE and TEC officials were been pressed on this matter³² and on March 11 they committed to provide 'a summary "one pager" on the problem definition...as soon as possible (hopefully tomorrow)'.³³ For some time this was not forthcoming suggesting that there may be no problem – or, if there is, it defies definition.

A paper finally arrived on April 2, three days before the submissions are due, allowing little time to be addressed in submissions and no time at all to consult effectively with industry stakeholders. The paper has a section headed,

'Employers have told us the lack of industry input with off-job training is frustrating'³⁴

but which fails to identify who those employers are, how many, in what industries and the proportion of employers who are 'frustrated'. Was this a result of a survey – and if so, where are the results? Or is it as one might suspect, simply unattributed anecdote?

Certainly in the marine and composites industry, the opposite is true. Jason Dickey says, "Our ITO is connected to our industry – by location, by structure, by the people. I really hope our current ITO is explored by the government before any decisions are made. I believe they could learn a lot from our ITO and our industry. We are a genuine story of success and are an example of how good things can be. If they look closely at *WHY* things are working it will become obvious that we have ownership and industry 'buy in' to what we are doing."³⁵

³¹ Reform of Vocational Education, Consultation discussion document, p18

³² ITF/ITOs meeting, March 7 2019

³³ Email from Mike Woods to the sector, March 11 2019

³⁴ Problem definition piece for ITOs

³⁵ Jason Dickey, letter of support, 31 March 2019, refer Appendix 1

This is confirmed by another industry employer, Pauline Pringle of Smuggler Marine who says,

“This industry is full of member companies who support the work [the NZMAC ITO] board does. [We] are incredibly concerned that the reforms proposed for vocational education will have a negative effect on all marine businesses who use the NZMAC ITO programme. Our ITO officers are trusted and reassured because of their specific knowledge and expertise in the marine industry”.³⁶

The paper acknowledges that the systemic problems lie with the ITP sector which requires ‘significant structural change’ and not the Industry Training system which is not ‘underperforming’ – apart from an oblique unsubstantiated reference to ‘every sector’ which has its ‘stronger and weaker points’. The ITO does have its stronger points but these are to be sacrificed to enable the significant structural change required by the ITP sector. Apparently the ITO sector should be happy that the baby wasn’t thrown out with the bathwater; it’s still there, uncovered, shivering, and desperately hungry, watching as its food is given to its delinquent – but clothed and fat – older sibling.

Various explanations have been provided verbally, in a range of fora, from the need for a system that ‘captures opportunities’, to vague discussions about the ‘Future of Work’; worthy and non-specific.

What is of concern is that there does not seem to have been any formal or organised process of defining a problem and then generating solutions (in spite of the late provision of the explanatory paper delivered five days after the initial closing date of submissions, which is right up there with “the dog ate my homework” as an excuse) . The complexity of the VET system and any attempt to restructure it would be a perfect opportunity to employ a design thinking methodology, perhaps the ‘double-diamond’ approach where problems are defined, solutions generated, then refined and the process is repeated. Instead we are presented with a solution sans problem, a fait accompli, and given a ridiculously short time to provide feedback. Assurances that this is a ‘co-design process’ simply don’t wash; it hasn’t been so far, and there is no time – despite promises – in the next stage to have any meaningful input to the final solution.

When pushed on why the VET system needs to be overhauled, the conversation with officials moves quickly to the state of the ITP sector, the unevenness of delivery there, financial instability (including massive bailouts) and the overlap of provision. It is widely accepted that there is significant overlap but the bulk of this occurs between individual ITPs, not between the ITP and the ITO sector. In fact, in the marine and composites industry, there is no overlap of provision because the ITP sector does nothing in this space. They used to, but they walked away from it unceremoniously and without notice, leaving the ITO short on promised delivery of block courses. There is little confidence in our industry that a new redesigned ITP sector will suddenly show an interest in the marine and composites industry. One of the marine industry’s key employers, Jason Dickey says,

“I have struggled to find anywhere the detail of these “problems” and any supporting research to demonstrate the extent of these “problems”. In fact there

³⁶ Pauline Pringle, letter of support, 31 March 2019, refer Appendix 1

are ‘repairs’ being proposed with no detail of any problems within our industry and our current ITO structure”.³⁷

Within the ITP sector, radical change is necessary, from micro-credentialing to the reduction in duplication to greater consistency; but it shouldn’t come at the cost of an effective ITO sector.

The implications of implementing the proposals as they stand

Our assessment of the future-state of VET should the proposal progress in its current form is as follows:

- The system would be less flexible.
- The system would be no simpler.
- The system would be less responsive to employer needs.
- Industry may dial back their investment in the formal VET system.
- There will be a huge culture shock of change within both the ITP sector (among ‘educators’) and the ITO/ISB sector that entail fundamental risks in proceeding.
- The system will likely be more expensive with duplication of activity and roles.
- The system would be no better placed to handle the challenges presented by the counter-cyclical nature of demand for on- and off-job provision.
- There would be a very real risk of a decline of workplace training and employer engagement – ‘training flight’. Employers will still ‘train’ but they may no longer ‘qualify’ their staff. The additional workload of dealing with inexperienced ‘educators’ may make them withdraw from the formal VET system leading to highly trained but unqualified staff which would reduce the visible participation of people in the VET system that could see official numbers plummet.

Organisational and staffing issues

There is little in the documentation about the implications for current organisations, staff positions and roles. Will staff be co-located with ISBs or relocated to NZIST campuses? If the latter, how will they work with the ISBs as closely as they need to? How will they work with employers if they are ‘centralised’ at a campus kilometres away – or even in a different city? For example, NZMAC ITO currently services employers across the country through a well-developed system of Field Officer visits several times a year. Will an ‘educator’ based in Auckland service one of our employers in Southland? If this is deemed inefficient, will an ‘educator’ based at the Southland ‘node’ of NZIST, with no experience or contact with the rest of the marine and composites industry visit our employer there?

NZMAC ITO is a well-run organisation³⁸ with deep and rich industry support. Much of this support has been through voluntary contributions to programme development, membership of boards and engagement with ITO activities. This enormous voluntary contribution is put at risk with the reform proposals that decouple industry and employers from the ISB except for standard setting. Our industry values highly the pastoral care and industry experience of the Field officers and the organisational capacity and capability right

³⁷ Jason Dickey, letter of support, 31 March 2019, refer Appendix 1

³⁸ “You guys run a well-run ITO” Kim Ulberg, TEC, Consultation Meeting March 21 2019

through to the CEO; the proposals will hand these activities and relationships to unidentified and nameless ‘educators’ currently working within the ITP sector. When this happens the voluntary contributions of the industry will evaporate.

In our stakeholder engagement, members of industry were firm about their support for the current structure of what we do, with one significant employer saying, “Passion will always drive behaviour over – and in spite of – money”. There is no room in these reforms for passion. Another employer was concerned about the breakdown of the direct and efficient feedback loop from the employer to the ITO, via the Field Officer. This loop is broken in the new proposed model where there is no prescribed route for this feedback to occur; any understanding gleaned by the (inexperienced and unfamiliar) educator at a workplace would go back to NXZIST central, doomed to languish in an in-tray. Leading employer Tracey Stevenson says,

“We are concerned that the vocational education reforms will be detrimental to both employer engagement and be unsettling and introduce a lack of certainty for our apprentices and prospective trainees. Particularly now when the industry is gearing up for an incredibly important phase with the lead in the Americas Cup 2021. The last thing we need to be doing right now is creating uncertainty around training. The NZ MAC ITO model of supporting both employers and trainees and genuinely engaging with industry should be held up as the model for industry training going forward rather than being dismantled.”³⁹

Structures

Industry Skills Bodies

The reforms propose the creation of ISBs (Industry Skills Bodies) with ‘functions ‘similar to current ITO functions’⁴⁰ with the addition of some new functions. However there would be – considerably greater – subtraction of functions, particularly the ‘transfer to vocational education providers the ITOs’ current role of supporting workplace learning and assessment for work-based vocational education’⁴¹. The government giveth and the government taketh away.

Given that ITOs are likely to become ISBs, and that the ‘transition to ISBs would need to be smooth’⁴² it begs the question whether new organisations need to be created or if a simple name change might not suffice. This would avoid the dismantling of complex organisations with the attendant issues of staffing, intellectual property and legislation. Such a ‘name change’ would allow the introduction of new functions and the adjustment of some existing ones – but done in a tailored way to suit the individual industries and ITOS. Some would see significant change; others little. The current proposal sees all ITOs wedged into the same-sized boxes and one size, in the VET space, does not fit all.

Each ITO currently has different approaches to school-to-work pathways, e-learning, curriculum development, pastoral care, in-work support, employer relationships and assessment. Achieving consistency is not the same as creating identical models. A

³⁹ Tracey Stevenson, letter of support, 31 March 2019, refer Appendix 1

⁴⁰ Proposal on roles of providers and industry bodies, Technical discussion document, P7

⁴¹ Proposal on roles of providers and industry bodies, Technical discussion document, P2

⁴² Proposal on roles of providers and industry bodies, Technical discussion document, P6

sophisticated VET model recognises the differences inherent in different industries and their different needs for engagement and support; this is why each ITO operates slightly differently now. Taking away key functions from all the ITOs is a blunt instrument to achieve consistency in a highly nuanced space; it leads to a lowest common denominator approach that drains the bathtub, keeps the baby, but fails to keep it warm enough to thrive.

A key aspect of the proposals for ISBs is the ‘bookending’ concept where an ISBs set standards, the Provider delivers and the ISB conducts a capstone assessment at the end. It is completely irresponsible to design a system where the assessor has no input or control of the delivery. Standard setting does not equate to control of delivery – quite the opposite. Elsewhere, it has been stated that the ‘educators’ will need to rapidly adapt to their new roles. If they don’t, the price for their failure will be paid by the learners. If a learner undertakes a four-year apprenticeship, delivered by the Provider (based on the standards set by the ISB) and at the end of the learner’s journey, they are failed in their capstone assessment by the ISB(because of the failure of the Provider to deliver), how is this a success of the system? Who does the learner sue? Not the ISB, they had no involvement in the delivery. How does this disconnected system operate in any way in the interest of the learner?

The bookends of the ISB are only functional if there are books on the shelf. The ISB could determine industry needs for training and request it from the Provider. Nothing in the proposals require the Provider to deliver the training – put the books on the shelf. They might simply refuse, for economic reasons or because of regional priorities (the Regional Leadership Groups have been designed to have the power of veto over the needs of the ISBs, under the guise of regional priorities)⁴³ and the ISB would be unable to deliver training for their industry. Many ITOs have responsibilities for industries that are small or boutique and some of the marine and composites industry is highly specialised, requiring training to be delivered to small numbers or learners. It has been our experience that where we have sought this training from ITPs that they frequently refuse because it would not be economic for them or they agree, conditional on minimum numbers – which can be impossible to meet. There is nothing in the reform proposals to suggest that this behaviour would change in the new NZIST.

A model presented at a stakeholder engagement meeting⁴⁴ described the hierarchy of activities as follows:

| | responsibility | With a ‘training package’ |
|--------------------------------|----------------|---------------------------|
| Qualification | ISB | ISB |
| Programme Development | NZIST | ISB |
| Curriculum Development | NZIST | ISB |
| Teaching & Learning Materials | NZIST | ISB |
| Assessment Materials | NZIST | ISB |
| Teaching & Learning Activities | NZIST | NZIST |
| Pastoral Care | NZIST | NZIST |

⁴³ Proposal on roles of providers and industry bodies, Technical discussion document, P10

⁴⁴ Grant Klinkum, speaking at an Industry Engagement Session at Unitec on March 20 2019

The suggestion is that the ISB will always be responsible for the standard setting of the qualification and, in the standard model, the Provider (NZIST) would undertake all other activities. An alternative could be that an ISB could offer a 'training package' of four additional activities but that even in this situation NZIST would retain responsibility for teaching and learning activities and pastoral care. Yet it is exactly these two areas that the ITPs are currently not engaged in (in the VET sector) and would be ill-equipped to undertake. It makes no sense at all that in a redesign of the VET system that the ITOs would be gutted of the very activities at which it excels.

In discussions with officials it has been clear that while the future of ITPs is resolved and, for the most part, agreed upon, the future of ITOs and the full role of ISBs is 'yet to be determined'.⁴⁵ In that same meeting it was stated that we don't want to 'lose the innovation that providers bring'; yet there seem to be no qualms about jettisoning the innovation resident in the ITO sector. Looking at the current performance of both sectors, it is clear where true innovation occurs. There are countless examples where employers bemoan the status of training on-campus as the equipment and processes being taught at ITPs is woefully out-of-date or under-resourced.

Without a trace of irony, the Minister himself used an example of this in an opinion piece he wrote for NBR⁴⁶, titled "Vocational education 'will fix broken system'", where he quotes an employer who:

'gave me a great example of how the system should work. He runs a sheet metal business that employs modern fabrication technology. He told me trainees coming out of his local polytechnic have trained on machines that are so out of date by the time they come to him, he has to retrain them.

The Minister is right about the 'broken system' but wrong about which part of the system is broken: it is the polytechnic (as illustrated in his example) that is broken, out of date, lacks innovation and trails industry; it is not the ITO sector or their relationship with employers. The Minister's solution is to strip the ITO sector of their activity and hand it to the ITP sector. He continues:

[The employer] is happy to offer his machines to the polytechnic for training purposes outside work hours but says it's just too hard because the training systems are too disjointed. If the systems lined up better the students would be work ready on day one and the polytechnics would save on capital investment.

This is revealing in so many ways. The Minister's solution would have the provider deliver training to students by getting them to turn up to a factory (presumably this would count as on-campus training as they would not be employees of this particular business) after hours, possibly a long way from home, to work a nightshift on machinery not owned or operated by the provider, when the factory was not operational, without proper industry supervision or health and safety protection. The training systems are disjointed and the reforms proposals would exacerbate this situation by decoupling industry from delivery by getting 'educators' from existing polytechnics to take over this role.

⁴⁵ Grant Klinkum, speaking at an Industry Engagement Session at Unitec on March 20 2019

⁴⁶NBR, February 22 2019, p7

The Minister also says that this would be a saving on capital investment for the polytechnic, implying that the provider would not have to invest in resources appropriate to the training they are tasked with ‘delivering’ because they can exploit the resources of an industry employer – who is clearly at the leading, innovative edge of their industry. ITPs have never led industry in innovation; it has always been the other way around. ITOs have tapped into this innovation through their close relationships with industry and any new model of vocational education needs to be built on this platform of innovation.

It becomes increasingly difficult to see the attachment of the ITO sector to the ITP reforms as anything but a land grab and an effort to prop up a failing public sector with a successful private one. The reforms have all the appearance of the ITPs cherry picking what they want to control of the ITO sector.

Officials have said that the reforms want the ‘best of ITO prescription, and the best of ITP delivery’ presuming that there is no value in ITO delivery. This is a failure of systemic proportion and one that is crude, patronising and fails to recognise success where it occurs. It lies at the heart of the concerns that ITOs, industry and employers have with the reforms and must not remain as part of the reforms.

There has been no modelling of ISBs or how they will work – at least none that the system designers have been willing to share – and the impact that they will have. Will there be an ISB for every industry? How many industries are there? Have the designers of the reforms worked with MBIE to determine the likely disparate – or collected – industries that will coalesce – or disperse – into ISBs? There are very few single industry ITOs - most support work-based learning across a range of industries; the establishment of ISBs would seem to encourage more industry specific “Bodies”, which would see a proliferation of niche ISBs clamouring for attention with TEC to “purchase” education.

In trying to achieve appropriate ‘coverage’ of industries, how many ISBs are expected? Eleven (the number of ITOs), 57 (the number of ITOs pre-merging), 100 or 200? A few years ago, ITOs were merged to achieve greater efficiencies; the ISB model must by definition lead back to greater disaggregation of industries as they seek to become ‘standard-setters’. This disaggregation seems counter to the merger of ITOs of a few years ago where efficiency was perceived to occur through amalgamation. This seems a perverse outcome given the overriding intent of the reforms to aggregate 16 ITPs into one centralised organisation. How will this single entity negotiate with a large (and growing, as new industries join the process) number of ISBs?

The nature of ISBs is similar to the “Advisory Board conundrum” found in ITPs or larger multi-disciplinary PTEs: should these organizations have a singular advisory board with representatives from many different industries or should they have several focused discipline-specific advisory boards to get focused advice. It appears that the ISBs are designed to be the latter. However, they will then expect to purchase education from NZIST, a large, singular, generalized organisation ill-equipped to cope with the degree of specialization that a niche ISB requires.

Centres of Vocational Excellence

The proposal for CoVEs is undeveloped at this stage by the government's own admission, 'Officials' thinking about CoVEs is at an early stage'⁴⁷ and it is hard to determine how they will operate. One view held in the ITP sector is that CoVEs are replacements for faculties within ITPs (another panacea for staff...) where a CoVE might be based in a region and do what an ITP faculty might formally have done. Currently the "government envisages that the NZIST, and perhaps also wānanga, would host Centres of Vocational Excellence, focused on teaching and learning'.⁴⁸ This presumes that providers will be the responsible for the sole delivery of teaching and learning; but if this role was preserved within the ISBs, then surely a CoVE could be hosted by an ISB? This could certainly be the case in the Marine and Composites Industry where there is no activity in the ITP sector currently. It seems absurd that this responsibility be given to NZIST simply because of its perceived status.

Regional Leadership Groups

Similarly there is little information about Regional Leadership Groups and what there is appears to exclude participation of the ISBs. In the proposed new system, 'the national skills leadership role of ISBs would be complemented by employer and/or industry leadership at a regional level.'⁴⁹ However, this complementarity appears to be a form of exclusion; the rest of the discussion about regional leadership concerns the formation of two proposed groups: 'Regional Leadership Groups at regional campuses'⁵⁰ of NZIST (i.e. provider-centred, not industry-centred) and an MBIE proposal for a 'regional skills body to coordinate regional labour market skills development'⁵¹. Membership of this group 'would likely include employers and regional industry organisations, alongside other regional partners'⁵² but not, apparently, ISBs, which are tasked by the vocational reforms to determine industry need. MBIE didn't, it seems, get this memo. What is the point of giving ISBs the role of determining industry need – skills leadership – if it is going to be determined at a regional level by not one but two networks of committees, neither of which includes ISBs? The proposal for Regional Leadership Groups is flawed and has no place in the reforms.

Proposal 2

The government proposes to create a New Zealand Institute of Skills & Technology to offer high-quality vocational education throughout New Zealand⁵³. While this idea has merit, it must not do so at the expense of the high-quality vocational education currently offered throughout New Zealand by the ITO network.

For thirty years, ITPs have failed and been propped up and bailed out by successive governments with little ongoing positive effect. Even the largest ITP, Unitec, is not immune and has suffered a calamitous drop in numbers and a corresponding budget blowout as it tried to spend its way out of trouble. This occurred while it dropped to become a Category

⁴⁷ Proposal on roles of providers and industry bodies, Technical discussion document, P9

⁴⁸ Reform of Vocational Education, Consultation discussion document, p25

⁴⁹ Proposal on roles of providers and industry bodies, Technical discussion document, P13

⁵⁰ Proposal on roles of providers and industry bodies, Technical discussion document, P13

⁵¹ Proposal on roles of providers and industry bodies, Technical discussion document, P13

⁵² Proposal on roles of providers and industry bodies, Technical discussion document, P13

⁵³ Reform of Vocational Education, Consultation discussion document, p22

2 provider in terms of quality. And yet this was all predicted by the Ministry of Education who has been pointing out for some years that the demographic baby bump was coming to an end and numbers in the ITP sector were forecast to drop in the years 2017 – 22. ITPs consistently ignored this message and proceeded as if growth was undeniable. In the past eight years, the number of students participating in the ITP sector has dropped from 180,000 to 120,000⁵⁴ and the number of EFTS across the sector is now fewer than those of Auckland University. The utilisation of assets at ITPs is 13%.⁵⁵ Were this a business, the liquidators would have been called in long ago; it is surprising that the Commerce Commission hasn't been, as it is a clear example of market failure. The government is tired of tipping money into an under-performing sector and their solution is to strip ITOs of their high-performing activities and give them straight to the ITP sector in the hope that it will revive it. The marine industry is well aware of the failure of the ITPs to deliver; Jason Dickey says:

“I feel like the goal of this review is to fix ITPs and make the structure look tidy on paper. ITOs have been dragged into a problem with another education area, and instead of using them as a pillar to design the rest of the system around (this would be messy and lots of different sized solutions) it appears tidier to roll it into one big thing.”⁵⁶

Perhaps the best thing to do would be to let the ITP sector shrink to its natural size and leave the task of vocational education to those who do it better: the ITOs and the PTEs. The ITPs should become a government agency responsible for servicing the teaching and learning activities of private organisations. They could focus on the delivery of soft skills at lower levels and niche degree offerings at higher levels; this would be the best application of a bookended approach in education, allowing the ITOs to manage and deliver vocational education, ‘purchasing’ on-campus services as necessary.

It is naïve to think that simply by restructuring 16 ITPs into a centralised entity – albeit with ‘nodes’ – that it will change its approach to vocational education and its relation to the provision of training on this space. It has been the experience of NZMAC ITO that ITPs are uninterested – and at times wilfully obstructive – in their support of vocational education. Jason Dickey says,

“There are off site training courses that we need help with. Currently they do not make financial sense (to an external organisation) and therefore we struggle to have these run by anyone.”⁵⁷

For years, Unitec provided block courses (on-campus training) for apprentices in the marine and composites industry. In 2016 Unitec simply stopped offering this and withdrew from this responsibility without notice, leaving the ITO with no on-campus training. The ITO had to assemble at very short notice, alternative arrangements. It rented space at a soccer club and then located a tutor at another polytechnic and employed him during his leave to teach the students, such was the ITO's commitment to the learners. This ‘arranging training’ will

⁵⁴ Tim Fowler, Stakeholder Engagement Meeting at Business New Zealand, March 14 2019

⁵⁵ Kim Ulberg, TEC, Consultation Meeting March 21 2019

⁵⁶ Jason Dickey, letter of support, 31 March 2019, refer Appendix 1

⁵⁷ Jason Dickey, letter of support, 31 March 2019, refer Appendix 1

be done, under the reforms, by the very polytechnics that walked away from the training in the first place. In another example, the ITO wanted to sub-contract a polytech to teach project management to a handful of learners to enable them to advance their skills. The ITO would provide the venue; the polytech agreed to deliver the training – for \$36,000. It was ridiculously out of proportion to what was being sought and so it didn't proceed. A third example had the Southland Institute of Technology agree to offer training to apprentices in the Southland area but for a minimum of 12 students. There weren't 12 apprentices in the area so the ITO arranged training at a workplace for those that needed it. Those currently in the sector are simply incapable of understanding the needs of learners, employers and their ITOs and would fail to deliver the training needed in a revised VET system. They are used to a campus-based front-end-loaded system and no amount of restructuring will change this attitude.

NZMAC ITO has many examples of learners poorly served by the ITP sector who have found their niche and become motivated trainees, then graduates and employees within the marine and composites industry. One leading employer, for example, had not taken on an apprentice for some years but was persuaded to do so when they met a young man who was struggling in a pre-trades programme at Unitec. The reason for his struggles was that the assigned tutor started the three hour class every morning by handing out texts and then promptly leaving for the rest of the day. There was no support or guidance for any of the learners – the only interest the ITP had in them was in their bum to occupy a seat. \

This particular man has been taken on by a highly sophisticated marine employer to do an apprenticeship where he is always busy, learning things every day under the guidance of people who know what they are talking about, and supported by a close relationship with an NZMAC ITO field officer. If the reforms proceed, his training will likely be 'delivered' and 'supported' by the same 'educator' (or one similar) who ignored him when he was on-campus.

After years of diffidence, disdain and appalling service from a number of ITPs, NZMAC has no confidence that the reforms will transform their practices or personnel to deliver anywhere near the quality of training in we currently provide.

We are also concerned about the expectation that a 'one-size fits all' approach will unify the VET system, when the ITO system recognises that each industry is a different size and needs a solution that is 'fit for purpose'. As Susan Lake of the Composites Association of New Zealand says,

“Currently Composite Technician is in a skill shortage and recognised by Immigration on the Occupational Shortage list. The Association remains committed to training as the long term solution to this skill shortage but we can only get there with a system that is compatible with our industry. A one-size fits all approach would likely lead to fewer companies formally training and an increase in the skill shortage.”⁵⁸

A loss will likely occur when the system moves from people to paper – from the personal approach of ITOs to the bureaucratic approach of ITPs. This could result in the unravelling

⁵⁸ Susan Lake, letter of support, 31 March 2019, refer Appendix 1

of the industry/trainer/employer/learner network that has been carefully created and nurtured by the ITO sector. This then creates a risk of ‘qualification flight’ as employers will continue to train but choose not to qualify, their staff. A key marine employer, Jason Dickey, said,

“My real concern is that this proposal has already been decided, and if it goes forward as it is, it will be a huge loss for our industry, and country. I will not support our employees participating in second rate, out of date training – we will shift to our own internal training.”⁵⁹

Key recommendations of this submission

A well-designed VET system could – and should – deliver seamlessness, affordability, and skills responsiveness, while also helping meet needs of ITPs, maintaining industry engagement and avoiding structural upheaval. This could be done by:

- Consolidating the polytechnic sector to ensure its consistency and coherence.
- Slowing down the process by addressing the amalgamation of the ITPs into NZIST first (for implementation in early 2020) to be followed by a more measured integration of ITOs and/or ISBs when the landscape is better known and understood
- Strengthening standard setting but do it by increasing and enforcing powers of ITOs.
- Avoiding the separation of arranging training from standard setting.
- Restoring the Skills Leadership role
- Consolidating the funding model in a way that accurately reflects the costs of different types of VET learning.
- Giving individual employers (not just industry) an immediate say at the point of delivery).
- Supporting the move from ITO to ISB in name change only, rather than creating a new entity.

⁵⁹ Jason Dickey, letter of support, 31 March 2019, refer Appendix 1

A revised RoVE proposal

A revised reform of vocational education should take the following issues and opportunities into account.

Skills Leadership

ITOs/ISBs should be responsible for skills leadership in a meaningful way, leading the process of determining the needs of industry through close contact with industry. This would be supported by retaining the delivery and support roles within the ITO/ISB so that the employers can have confidence that the skills leadership will be complemented by appropriately resourced delivery. Jason Dickey says,

“This is a big part of our ITO and we want to get better and do more. The process is very time consuming and we rely a lot on our member companies for peer reviews in their spare time. We are the right people to be doing this, but some form of funding for development to make it happen quicker would be advantageous to everyone. It would allow us to get more people into training sooner.”⁶⁰

A learner-centric model

The model must be learner-centric. There are 140,000 vocational learners currently overseen by ITOs. When the New Zealand apprenticeships were introduced, all Level 4 apprenticeships required visits. This amounts to 40,000 vocational learners currently. However, NZMAC ITO visits all learners at all levels, regardless of the formal requirements as this enhances the support of all learners. If NZIST is given the role of ‘supporting’ vocational learners, and ‘delivering’ both on-campus and in-work, they should have a mandate to visit all 140,000 learners regularly, not just the 40,000 at Level 4. This would demonstrate their commitment to in-work delivery and support; if this commitment isn’t forthcoming or would be too onerous, then this responsibility should remain with the ITOs/ISBs.

Pathways

A learner-centric vocational education system should be designed around the learners’ journeys (not the needs of ‘educators’ currently employed in the ITP sector). Looking at vocational education through the lens of the learner would require the design and development of appropriate pathways that would start at Year 9 in the secondary school system and progress through apprenticeships into further lifelong learning, while being retained in work.

This would require a completely different approach to recruitment, particularly at secondary school, where the traditional marketing processes – that favour universities and degrees over vocation and apprenticeships – would need to be superseded. Currently, ITOs undertake this work, where they can. NZMAC ITO has designed a specific ‘School to Work’ programme to assist young learners into the industry. Leading marine industry employer, Tracey Stevenson says,

“The school to work program has also been incredibly successful in identifying the right candidates for apprenticeships, and we now consider this our primary tool for

⁶⁰ Jason Dickey, letter of support, 31 March 2019, refer Appendix 1

recruiting new apprentices. We strongly support the industry involvement in creating these links for students in secondary schools and providing the opportunities to connect employers to students.”⁶¹

This is confirmed by Pauline Pringle of Smuggler Marine who says, “Finding the right candidates for apprenticeships can be a daunting task for employers and this program allows both the student and us to find out if it is the right pathway for their future in the most positive way possible”.⁶²

It is noted that the reform documents are entirely silent on marketing, promotion and recruitment into vocational education and where this responsibility will lie in the future. Presumably, with the vastly reduced role of ISBs and the new role of delivery and support going to NZIST it will be the latter organisation that will assume the role of recruitment from secondary schools.

A new role for industry

A revised reform of vocational education could come up with a stronger more connected role for industry, supported by their familiar partners, the ITOs – or ISBs, if necessary. The role of employers should be of higher value but with less work. The reforms should focus on removing friction for employers in the training process. This will necessitate incentivising employers appropriately to participate in training, at least initially, and helping build their capabilities to do so with the goal of increasing their productivity. Jason Dickey says,

“There are some easy ways we could encourage employers to take on more young people and more trainees. Having trial periods and better funding are some simple ways to make the process easier and provide encouragement.”⁶³

A ‘light touch’ process to accredit employers to become workplace trainers will cement their commitment while ensuring that they are aware of their responsibilities in the vocational education process – and their opportunities (which are not often sufficiently spelled out).

The government, through the reforms have expressed an ambition to lift the number of learners participating in vocational education and also the number of employers engaged in the process. The former requires the latter to succeed. It isn’t enough to shift the responsibility of delivery to NZIST, while also expecting an increase in in-work training and expect a miraculous uptake of both learners and places in existing workplaces for them to work. Many employers are already at capacity with the number of apprentices they can take; the solution for more in-work training is to activate those employers not currently engaged in training to participate. There are now 25,000 employers engaged and there is an ambition to double this; it won’t happen unless there are frictionless incentives for apprehensive employers to sign up, matched by eager learners recruited from secondary school, other workplaces or from NEETS. Nothing in the reform proposals even hints at these processes or suggest why NZIST will be better placed than ITOs currently to do these complex tasks.

⁶¹ Tracey Stevenson, letter of support, 31 March 2019, refer Appendix 1

⁶² Pauline Pringle, letter of support, 31 March 2019, refer Appendix 1

⁶³ Jason Dickey, letter of support, 31 March 2019, refer Appendix 1

A partnership model

What is required is a partnership model between ITOs/ISBs and NZIST. The current proposal is paternalistic, patronising and about as far from partnership as it is possible to be. It neuters ITOs/ISBs and assumes that ‘educators’ from ITPs would be better at delivering and supporting training than the Field Officers currently employed by ITOs.

A true partnership model would see NZIST working with each ITO to see how best it could supplement the work the ITO does in a complementary rather than an acquisitive way. This process – and any subsequent arrangements – would differ from ITO to ITO and industry to industry. A flexible model would not be one size fits all, but a right-sized model depending on need.

Currently ITOs are not allowed to have more than 10% of their learners above Level 4. This entirely arbitrary rule is oblivious to the future of work and sees learners exit the industries and employers that trained them in pursuit of higher learning. Employers and their related ITOs often would like to offer their graduated apprentices the opportunity to train as managers and retain them in the business but the current patronising approach to vocational education presumes that ‘once a tradesman, always a tradesman’ and consigns talented people to a factory dustbin.

A ‘revolving door’ model would see young learners getting soft skills at NZIST in programmes that prepare them for work followed by effective in-work training supported by an industry specialised ITO/ISB. The learner would then have an option to undertake a higher-level diploma or degree – perhaps delivered by the provider – while retaining their employment, keeping them in the workplace and the industry that supported them.

NZMAC ITO

The current NZMAC ITO model is a powerful model for a new environment and a new approach to vocational education. This is demonstrated through the strong industry support. Pauline Pringle of Smuggler Marine says,

“We believe the model currently employed by the marine industry to be superior in its support of both trainees and employers. It should be used as an example to other industries because of its success, rather than the upheaval of changing what is already a well-run working model”.⁶⁴

The ITO has been innovating its processes for some years and has highly developed, refined and nuanced processes that suit the industries in which it delivers. The industry growth to date in this very specialised manufacturing sector has only been possible from a culture of training – developed by industry for industry. Over 90 % of the training is provided by the employer with strong support from NZMAC ITO.

⁶⁴ Pauline Pringle, letter of support, 31 March 2019, refer Appendix 1

NZMAC ITO is ready to become the Maritime, Marine & Composites ISB with:

- Strong and unified **industry support**
- Effective **individual management** and **pastoral care of learners**
- A customised **e-learning platform**

We can do this with a partnership with NZIST for on-campus training; one that recognises the skillsets and strengths of both parties and doesn't unfairly redistribute roles (of delivery or support) to suit a nationalised model.

The current model that **NZMAC ITO** operates is built upon a number of strengths. It has defined and developed pathways from school to work; deep contact, liaison and support with employers; a deep understanding of employers' skills needs; facilitated study groups in the workplace (which is currently delivering very good results and is applied in cities and regions); and individual support and management of trainees through robust in-work processes and Field Officer support. Jason Dickey says,

A possible model for the **Maritime, Marine & Composites ISB** would see it responsible for identifying skills needed in industry through liaison with stakeholders including employers, industry associations etc; providing advice to TEC on these industry needs; the provision of all vocational education for the Maritime, Marine & Composites industry, including supporting workplace training and deciding where the training will occur – on campus or on the job. This could include 'purchasing' on-campus, block course (or other) training from NZIST, where appropriate. It would also include the oversight of standard setting, moderation and curriculum development (these activities could be 'contracted out' to NZIST, if it had the capability and capacity).

Process concerns

We think the process is too hasty inauthentic and appears to be a fait accompli. A system overhaul such as this needs time to be designed effectively and consulted upon thoroughly; neither of these have happened with the current process. This concern is shared by our employers; during consultation with our stakeholders, Jason Dickey said,

“The time line of the process has not allowed for proper consultation or ‘Market Validation’”.⁶⁵

We think that the government should focus first on their proposal to merge the 16 ITPs into one ‘Institute’ and once that is operational, develop an integrated Vocational Education and Training network with ITOs/ISBs.

The short timeframe is of great concern to our employers who have noted their exclusion from the process and also the attendant risks of pushing through an unformed idea. Tracey Stevenson of Stevenson Boatbuilders says,

“Most of the industry sector that are impacted by these changes as employers, or prospective employers of trainees are small and medium size businesses who simply do not have the resources available to spend the time necessary to understand the impact of the reforms, particularly in the time available between the announcement of the reforms and submissions closing on 5 April.”

She also points out that the documents are difficult to navigate and hard to understand, saying they,

“are full of jargon specific to the ITP sector, which will not be well understood by the employers of trainees in industry. There has not been the time available to socialise the recommendations and understand the impact that this will have.”

Her concern is that this

“this will result in a great deal of uncertainty about what these impacts will be – and in times of uncertainty, decision making (by employers, potential trainees and the ITO’s) is invariably delayed, which is likely to result in a hiatus of industry training – which is counter-intuitive to what the reforms are seeking. We simply cannot afford a delay in training decisions for 6-12 months!”

There are also additional industry concerns about the effect of the reforms on the flow of work. Pauline Pringle of Smuggler Marine says,

“we are entering a phase where the entire industry is gearing up for the America’s Cup in 2021. We will need our trainees to be on target, not concerned about huge changes to their training model. The marine companies will all need to focus on production, and creating uncertainty around training will be detrimental to this focus.”⁶⁶

⁶⁵ Jason Dickey, letter of support, 31 March 2019, refer Appendix 1

⁶⁶ Pauline Pringle, letter of support, 31 March 2019, refer Appendix 1

We are also very concerned with the reluctance of officials to share with the sector their identification of the problem being addressed. On March 7 a ‘one-pager’ was promised in a meeting, followed up by an email confirming that it would be made available. It took an Official Information Request to produce a response – one that arrived on April 2, three days before the submissions are due, giving ITOs no time to consult with stakeholders who, in the case of the marine and composites industry have been asking what the problem is.

When it arrived, the accompanying email on behalf of Grant Klinkum made a number of statements that could only be described as disingenuous at best.⁶⁷ Accompanying this email was a three-page document which includes,

“the problem definition we have been working to”⁶⁸

which begs the question, if the officials have been working to it all along, why did it take four weeks and an OIA request to deliver it? It appears to be a post hoc rationalisation of issues that have developed since the initiation of the Reforms. The email also states,

“The Cabinet paper, the consultation document and various fact sheets and technical working documents have largely covered this material”.⁶⁹

This simply isn’t true as it details issues not covered elsewhere, particularly around the reasons that ISBs need to be separated from the ‘arranging training function’. Two statements are made about why this must occur – that have not been stated anywhere else:

1. For ITOs to continue to arrange training would be a ‘conflict of interest’ – this is a serious proposition and one that would have been much more prominent in the reforms documentation if it was currently a systemic failure as is suggested by its inclusion here; and
2. ITOs, in the new regime would have ‘greater influence over what providers do’. The reforms however, give complete influence to providers about the delivery of training and support; the ITOs/ISBs have no influence here whatsoever and their role is reduced to standard setting and assessment; while this may ‘influence’ the standard that providers must work to, there is no possible way for the ITOs/ISBs to influence what providers will do with and for the learners in the workplaces of the employers and industries of the ISBs.

⁶⁷ Email to ITO Chief Executives and Chairs and the ITF CE, April 2 2019

⁶⁸ Problem definition piece for ITOs

⁶⁹ Email to ITO Chief Executives and Chairs and the ITF CE, April 2 2019

Appendices

Appendix 1: Stakeholder consultation

Marine and Composites employers and board members were consulted extensively in the development to this submission. A number of meetings were held, several email newsletters distributed and explanatory documents circulated to members of the industry.

Over 25 people attended consultation meetings with government officials – a significant turnout given the small size of the industry – which is passionate in their support of the ITO.

Appendix 2: Letters of Support

Letters of support for this submission have been received from:

| | | |
|------------------|--------------------------|---|
| Jason Dickey | Owner, Deputy Chair | Dickey Boats LTD NZ Marine Industry Association Board of Management |
| Tracey Stevenson | Director | Lloyd Stevenson Boatbuilders |
| Clint Jones | Managing Director | OceanMax |
| Richard Fogarty | | Robinson Interiors |
| Pauline Pringle | | Smuggler Marine |
| Susan Lake | General Manager | Core Builders Composites |
| Susan lake | Immediate Past President | Composites Association of New Zealand |

31 March 2019

Att. Chris Van der Hor,
General Manager,
NZ Marine & Composites Industry Training Organisation

Dear Chris,

I write this letter having reviewed the Ministry of Education's proposed Reform of Vocational Education document, and being part of the initial consultation meeting last week with Gillian, Kim and Lavinia.

As a Board member of the New Zealand Marine Industry Association and an active employer of apprentices, I have some real concerns with parts of the document and what I've learned post the meeting. Below are the key areas of concern for me.

- 1) With reference to the 'problems' within our sector that were mentioned a number of times in the meeting, and within the document. I have struggled to find anywhere the detail of these "problems" and any supporting research to demonstrate the extent of these "problems". In fact there are 'repairs' being proposed with no detail of any problems within our industry and our current ITO structure.
- 2) The time line of the process has not allowed for proper consultation or 'Market Validation'. There are a number of times that I have been told that this Reform is to provide better outcomes for learners and industry. Learners and Industry are the market – lose us (the industry/learners) and it doesn't matter how you structure the NZIST - My real concern is that this proposal has already been decided, and if it goes forward as it is, it will be a huge loss for our industry, and country. I will not support our employees participating in second rate, out of date training – we will shift to our own internal training.
- 3) Workplace training **MUST** stay with the industry and our ITO. NZIST can support us but should in no way have control of the training, the learners, or the standard setting. The proposed reform has already proven to be a failed structure, and giving things a new name is short sighted and demeaning for trades.
- 4) I feel like the goal of this review is to fix ITPs and make the structure look tidy on paper. ITOs have been dragged into a problem with another education area, and instead of using them (ITO's) as a pillar to design the rest of the system around (this would be messy and lots of different sized solutions) it appears tidier to roll it into one big thing. This raises a lot of concerns for me in that if it is all rushed through, there will be damage to our industry and our ITO that will not be able to be reversed. The cost to make these changes and then change back again will be huge. The trust the industry currently has in our system will be completely lost. The value our learners gain from our industry qualifications will be lost. The companies that support learners currently will do their own thing once they lose trust. Recovery would be slow and costly at best.
- 5) The darkest hour... We currently have a world class education system that is recognised and has been awarded globally – this training produces world class trades people, that build world class products. Boats are far more expensive in NZ to build, but our reputation helps negate this. It is in fact quite possibly this reputation that has enabled the industry to come back as strongly as it has since the GFC. A rebuild of the industry

training ITO may not be possible if the proposed reform is a failure. We could look back at this in 5 years time and refer to this as one of the darkest days in our industry. Not a great legacy to leave behind.

- 6) How is any other entity going to put as much care into our industry training? Our ITO is connected to our industry – by location, by structure, by the people. The ITO is in our companies talking to trainers and trainees alike, at our industry meetings via the governance structure, and represented by our industry members. We volunteer to do this work. If we are prepared to invest our time into what we have currently, the question needs to be asked “what are our motivations, and will the new structure create these motivators?” The answer is no. There is no substitute for OWNERSHIP. This is the ultimate motivator and why we are all here. We own the outcomes and therefore care about the inputs.

My only other comments are more about going forward. There is always room for improvement and change is not a negative if it is done for the right reasons and can be measured (as being successful). The support we have as an industry could be improved with some low hanging fruit.

- 1) There are off site training courses that we need help with. Currently they do not make financial sense (to an external organisation) and therefore we struggle to have these run by anyone. We need the NZIST to pick these up for us and deliver the outcomes we are asking for.
- 2) Development of new courses and setting new standards. This is a big part of our ITO and we want to get better and do more. The process is very time consuming and we rely a lot on our member companies for peer reviews in their spare time. We are the right people to be doing this, but some form of funding for development to make it happen quicker would be advantageous to everyone. It would allow us to get more people into training sooner.
- 3) Engagement of more employers to take apprentices. There are some easy ways we could encourage employers to take on more young people and more trainees. Having trial periods and better funding are some simple ways to make the process easier and provide encouragement. There are lots of small things that could be done to help a lot.

I really hope our current ITO is explored by the government before any decisions are made. I believe they could learn a lot from our ITO and our industry. We are a genuine story of success and are an example of how good things can be. If they look closely at WHY things are working it will become obvious that we have ownership and industry ‘buy in’ to what we are doing. Without this going forward it could never be as successful.

Kind regards,



Jason Dickey
Owner, Dickey Boats LTD
Deputy Chair, NZ Marine Industry Association Board of Management

Lloyd Stevenson



1 April 2019

Chris Van der Hor
NZ Marine and Composites
Industry Training Organisation
85 Westhaven Drive
Auckland

Dear Peter,

I would like to express my support for the NZ Marine submission to the Review of Vocational Education.

We have employed and trained apprentices continuously for over 30 years, under both the old apprenticeship scheme and the current model. We have found that the involvement of the ITO Field Officers has increased our capabilities and capacity to train and supervise apprentices (in recent years we have had up to 10 apprentices in training), it has also been a very successful model for dealing with diverse learners and young people who have not been successful engaging with the secondary school system. The support from a field officer is targeted at the individual's learning needs at each different point through their apprenticeship. The assistance that a field officer who has an intimate understanding of the learning needs of our apprentices and the work flow in our organisation has assisted us in forward planning training opportunities. We also feel that feedback that we as employers give the field officers is acted upon to help improve processes and opportunities for training. We value having marine-specific experienced field officers coming into our workplace.

The school to work program has also been incredibly successful in identifying the right candidates for apprenticeships, and we now consider this our primary tool for recruiting new apprentices. We strongly support the industry involvement in creating these links for students in secondary schools and providing the opportunities to connect employers to students.

Our company, through both Lloyd and myself have been actively involved in the Industry Training Organisation at Board level for many years, and have always been committed to training in our industry. We are concerned that the vocational education reforms will be detrimental to both employer engagement and be unsettling and introduce a lack of certainty for our apprentices and prospective trainees. Particularly now when the industry is gearing up for an incredibly important phase with the lead in the Americas Cup 2021. The last thing we need to be doing right now is creating uncertainty around training. The NZ MAC ITO model of supporting both employers and trainees and genuinely engaging with industry should be held up as the model for industry training going forward rather than being dismantled.

Yours Sincerely

Tracey Stevenson
Director

Recognised member



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Submission on the reform of Vocational Education.

1/4/19

To Whom it may concern:

As a proud member of the New Zealand Marine Industry, A Board Member of NZ Marine Export Group, A Managing Director of a F700 Export Marine Company, and involved with both The Americas Cup, and Olympic Yachting, I make the following submission.

I fully support the NZMACITO Submission on the Reform of Vocational Education –

- The proposal to ***‘extend the leadership role of industry’*** and employers across all vocational education, including provider-based vocational education, through new “Industry Skills Bodies”
- The development of a comprehensive, resilient and robust VET system as the platform for all industry training that is as flexible and frictionless as possible to ensure maximum participation of trainees and employers.
- Fair, consistent and appropriate funding that incentivises engagement and avoids perverse behaviours and outcomes.
- A rebalancing of the system across two axes:
 - A move to more in-work training and less on-campus delivery.
 - A move to more industry-led, and less provider-driven training
- A learner-centric system
- The establishment of ‘Industry Skills Boards’

We oppose:

- The proposal to ***‘transfer to vocational education providers the ITOs’ current role of supporting workplace learning and assessment for work-based vocational education’***
- The proposal that NZIST, would be “responsible for **delivering and supporting all vocational education** and training whether it took place at a provider’s facilities **on campus or in a workplace”**
- The separation of the **delivery and support of vocational education from standard setting**
- The decoupling of the relationship between the employer and the standard-setter
- Any move from **industry specialisation to provider generalisation**

We have concerns about:

- The lack of an identified ‘problem’ that the reforms are attempting to address
- The expectation that a ‘one-size fits all’ approach will unify the VET system, when the ITO system recognises that each industry is a different size and needs a solution that is ‘fit for purpose’

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- The limited time for the consultation process
- The implications of separating of training and standard setting.
- The loss that will likely occur when the system moves from people to paper – from ITOs personal approach to ITPs bureaucratic approach
- The potential unravelling of the industry/trainer/employer/learner network.
- The risk of ‘qualification flight’ as employers will continue to train but choose not to qualify, their staff

We assert:

- NZMAC is the smallest ITO, and the most efficient and effective for the industry we serve.
- We can present ourselves as a model for how industry training should work.
- We see effective industry training as built on strong relationships with employers and learner-centric.
- A VET system for the purposes of the marine and composite industries would:
 - be marine and composites industry-led;
 - be tailored to workforce needs of the marine and composites industry;
 - support the delivery of relevant skills where and when required;
- The current NZMAC ITO model is a powerful model for a new environment
- NZMAC ITO is ready to become the Marine and Composites ISB with:
- We can continue to do this with an equal partnership with NZIST for on-campus training, noting that
- there is no overlap in the marine/maritime sectors and so the reforms would have no role here, nor achieve any efficiencies

We also believe:

That if the Reforms of Vocational Education were implemented as proposed:

- The system would be less flexible.
- The system would be no simpler.
- The system would be less responsive to employer needs.
- Industry may dial back their investment in the formal VET system.
- There will be a huge culture shock of change within both the ITP sector (among ‘educators’) and the ITO/ISB sector that entail fundamental risks in proceeding.
- The system will likely be more expensive with duplication of activity and roles.
- The system would be no better placed to handle the challenges presented by the counter-cyclical nature of demand for on- and off-job provision.
- There would be a very real risk of a decline of workplace training and employer engagement – ‘training flight’.

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Our suggestions:

A well-designed VET system could – and should – deliver seamlessness, affordability, and skills responsiveness, while also helping meet needs of ITPs, maintaining industry engagement and avoiding structural upheaval.

This could be done by:

- Consolidating the polytechnic sector to ensure its consistency and coherence.
- Slowing down the process by addressing the amalgamation of the ITPs into NZIST first (for implementation in early 2020) to be followed by a more measured integration of ITOs and/or ISBs when the landscape is better known and understood
- Strengthening standard setting but do it by increasing and enforcing powers of ITOs.
- Avoiding the separation of arranging training from standard setting.
- Restoring the Skills Leadership role

I can be contacted for any further support of this submission.

Yours Faithfully,

Clint Jones



MANAGING DIRECTOR

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ROBINSON

1st April 2019
Peter Busfield
Executive Director
NZ Marine Industry Association
NZ Marine and Composite Industry Training Organisation

Dear Peter

Could I please add my voice of support to the NZ Marine and Composite Industry Training Organisation submission on the Reform of Vocational Education

With the current proposals from the government on the table, I feel it is important that the industry presents all the facts in detail to express what is involved in implementing training pertaining to our particular sector on a day to day as well as a global basis.

We may be perceived as a small niche industry but since the birth of this nation it has been at the leading edge of technology and a vital part of the overall economy of the country. To take a step back and make major changes to the training and education of our apprentices would be disastrous and risks the loss of momentum the industry has gained and maintained for several years now.

The submission covers all of this and a lot more and I strongly endorse what is being presented.

Yours sincerely
Richard Fogarty



Robinson Interiors Ltd



5 April 2019

Peter Busfield / Chris Van der Hor
NZ Marine and Composites
Industry Training Organisation
85 Westhaven Drive
Auckland

Dear Peter and Chris,

I have read and support the NZ Marine submission to the Review of Vocational Education.

For the past 20 years Smuggler Marine have been employing and training apprentices through the NZ Marine Industry Training scheme. We have found the involvement of the ITO field officers invaluable in keeping our trainees on track, especially those learners who were not particularly successful in the academic environment schools provide. The ITO officers assist trainees in ways which enable them to achieve their apprenticeship in a timely manner, and takes the responsibility for their paperwork from our company trainers, giving them more capacity for supervision and training. The field officers get to know the apprentices at a personal level and are able to target their learning needs. Also with their experience in the marine industry, field officers are invaluable in helping to improve our processes for training plus allowing us to plan what work we need to make available to the trainee.

Smuggler Marine have also used the School to Work program which enables us to identify the right candidates for apprenticeships and we appreciate the industry involvement in creating these links for students in secondary schools. Finding the right people for apprenticeships can be a daunting task for employers and this program allows both the student and us to find out if this is the right pathway for their future in the most positive way possible.

David has been actively involved in the Industry Training Organisation at Board level for a number of years, and as a company we have always been supportive of training in the marine industry because it is such a successful model. This industry is full of member companies who support the work this board does. Both David and I are incredibly concerned that the reforms proposed for vocational education will have a negative effect on all marine businesses who use the NZMAC ITO programme. Our ITO officers are trusted and treasured because of their specific knowledge and expertise in the marine industry.

Added to this we are entering a phase where the entire industry is gearing up for the Americas Cup in 2021. We will all need our trainees to be on target, not concerned about huge changes to their training model. The marine companies will all need to focus on production, and creating uncertainty around training will be detrimental to this focus. We believe the model currently employed by the marine industry to be superior in its support of both trainees and employers. It should be used as an example to other industries because of its success, rather than the upheaval of changing what is obviously already a well-run, working model.

Yours Sincerely,

Pauline Pringle.

5 April 2019
Chris van der Hor
NZ Marine & Composites ITO

Dear Chris,

Further to the Government's Reform of Vocational Education

We currently have 8 Apprentices registered with NZMAC ITO doing a range of training from LCP to Level 4 Composite Technician, to Level 4 Marine Systems Programmes. The Apprentice programme through the ITO is vital to the growth of our company.

We strongly believe that vocational training must centre on the trainee and the Industry and this is exactly what NZMAC ITO has delivered to us.

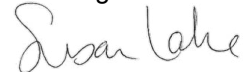
We have concerns that the current governments proposal to: **'transfer to vocational education providers** the ITOs' current role of **supporting workplace learning and assessment for work-based vocational education'** would not deliver results to our specialist niche industry. Further the separation of delivery of workplace training from the "Industry Skills Bodies" would cause a disconnect between the Industry, content and learners – which could have disastrous result of learners being taught skills which the Industry does not value. We have already seen this outcome with the current Polytechs producing graduates which are less fit to be Apprentices than new school leavers.

Our employees are specialist tradespeople in a high value manufacturing using digital manufacturing techniques. We rely on the current Apprentice programme as delivered through NZMAC ITO to provide the foundation of their training. The Apprentice programme would benefit from more resources and more funding to meet the requirements of the future of digital manufacturing – but this training cannot be done separate from Industry & the workplace.

We are an Accredited Employer with Immigration and Composite Technician is on the Occupational Shortage List. But we remain committed to work-place training as the preferred solution to the skill shortage which is current restricting our growth.

We would strongly urge the Government to consider the alternatives that NZ Marine & Composites ITO is proposing as we see this as the best option for the growth of our Industry.

Best regards.



Susan Lake
General Manager



5 April 2019

Chris van der Hor
NZ Marine & Composites ITO

Dear Chris,

Further to the Government's Reform of Vocational Education

The Composites Association supports the NZ Marine & Composites ITO and their submission on the Reform of Vocational Education. We strongly believe that vocational training must centre on the trainee and the Industry and this is exactly what NZMAC ITO has delivered to our Members.

We have concerns that the current governments proposal to: ***'transfer to vocational education providers the ITOs' current role of supporting workplace learning and assessment for work-based vocational education'*** would not deliver results to our specialist niche industry. Further the separation of delivery of workplace training from the "Industry Skills Bodies" would cause a disconnect between the Industry, content and learners – which could have disastrous result of learners being taught skills which the Industry does not value. We have already seen this outcome with the current Polytechs producing graduates which are less fit to be Apprentices than new school leavers.

Our Industry is specialist tradespeople in manufacturing and delivers high value exports to the world. We rely on the current Apprentice programme as delivered through NZMAC ITO to grow our industry. Currently Composite Technician is in a skill shortage and recognised by Immigration on the Occupational Shortage list. The Association remains committed to training as the long term solution to this skill shortage but we can only get there with a system that is compatible with our industry. A one-size fits all approach would likely lead to fewer companies formally training and an increase in the skill shortage.

We would strongly urge the Government to consider the alternatives that NZ Marine & Composites ITO is proposing as we see this as the best option for the growth of our Industry.

Best regards.

Susan Lake

CANZ Immediate Past President