

Submission on the Government proposals for “Options for the future of Work-based Learning” (January 2025)

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Introduction

This submission is from Unitec and Manukau Institute of Technology's (MIT) Senior Leadership Team. As part of our preparation for this submission, we also held workshops with kaimahi at our two Divisions to seek their thoughts and questions.

MIT and Unitec deliver to about 20,000 learners, primarily in Tāmaki Makaurau, across a range of industry and disciplinary areas, modalities and levels. We hold several positions in relation to Work-based Learning (WBL):

- (a) We currently operate several managed apprenticeship programmes and believe there is opportunity to grow our activities in the managed apprenticeship space.
- (b) We have significant experience as a subcontractor of block courses for other entities arranging WBL. In our view, this model can work well but it is more cumbersome (and involves more parties) than managed apprenticeships.
- (c) We also provide on-campus and online programmes – the majority of which also entail significant in-work placements (nursing, teaching, social work etc.) or projects (business, digital etc.).
- (d) In our view, learners and employers see significant potential in us developing more offerings based on a modality blending in-work, on-campus and online learning.
- (e) This will be easier and more streamlined to achieve as a single provider, involving a relationship between three parties (learner, employer, provider) rather than four parties (learner, employer, provider, arranger) or even five parties (learner, employer, provider, arranger, pastoral carer).

1 ISBs

1.1 Setting Industry Standards

Under both Options, the Government proposes to establish Industry Skills Boards. We are supportive of such entities and recognise the importance and the specialised nature of developing and constantly reviewing industry-based learning outcome standards for vocational education and training.

With the funding for ISBs being taken from direct WBL funding, we recommend that the scale of ISBs be kept constrained so that scarce resources prioritise actual training.

Recommendation 1. That ISBs are established as fully independent statutory bodies with a primary focus on setting industry-oriented learning outcome standards for vocational education and training.

1.2 Pastoral Care

The Collaborative Model proposes that ISBs take on a Pastoral Care responsibility.

WBL learners will benefit from clarity regarding who has what responsibilities for their pastoral care.

Providers have a duty of care to their learners irrespective of mode. This is governed by the Education (Pastoral Care of Tertiary and International Learners) Code of Practice 2021. It is deeply embedded in many aspects of our activity (including the Complaints and Appeals processes).

Assigning Pastoral Care responsibilities to ISBs, along with the funding, will not remove the educational and pragmatic reality that Providers will still need and be expected to attend to the pastoral care of all learners. Rather, it will simply make that need and expectation more difficult to meet.

We also note that WBL learners are employed. Employers have a duty of care to their employees.

To introduce a third pastoral care provider would create significant confusion, most impacting the learner.

Also, the Pastoral Care entails a specialist set of skills and actions on the ground that have little or no relationship to the standards-setting responsibilities of ISBs. In essence, ISBs would need to establish distinct pastoral care entities, likely diluting the staff expertise WBL and other Providers have developed over many years.

Recommendation 2. That responsibility for Pastoral Care sits with providers and employers, as it is inextricable from WBL delivery.

1.3 ISB Feedback Loops

The proposal suggests that the Pastoral Care function would provide ISBs with a “feedback loop to their standards-setting work” (p14). We do not agree. If an ISB is responsible for setting industry standards for VET, then the logical feedback loops pertain to:

- (a) The extent to which standards are accepted by Industry (the Input measure).
- (b) The extent to which standards are properly embedded into programmes and properly assessed (the Output measure).
- (c) The extent to which the standards have the desired impact on the industries they serve (the Outcome measure).

Pastoral Care does not provide a feedback loop for any of these.

The extent to which standards are accepted by Industry (the Input measure) will require a comprehensive system of engagement. In addition to whatever consultation method ISBs develop for their standards-setting purpose, we see value in having connections between ISBs and the Industry Advisory Groups (IAGs) that Providers use to ensure our programme design, delivery and assessment and improvement efforts promote relevance to industry.

In our view, IAGs will remain important as they provide advice on a level of operational detail that will be neither possible nor appropriate for national standard-setting and regulatory bodies.

Recommendation 3. That ISBs and Providers be expected to collaborate to ensure connection between their industry engagement activities, without compromising the impartiality of the regulator or the managerial prerogative of Providers.

The extent to which standards are properly embedded into programmes and properly assessed (the Output measure) will be achieved through various Quality Assurance activities such as programme endorsement, moderation and capstone assessments (although we have concerns that designing and implementing assessment is a very different skill set from setting standards and would be best left to Providers and Employers).

Recommendation 4. That, with a view to recognising where expertise resides, responsibility for designing programmes should sit with Providers.

We have a concern that certain QA activities may be essentially duplicated between NZQA and ISBs. This will not only add a bureaucratic burden, but increase costs as both NZQA and ISBs will charge for these activities. We believe further work is required to ensure that the separation of responsibilities between NZQA and ISBs, and the way that these separate responsibilities interact, do not create unnecessary burden and costs on providers.

Recommendation 5. That, with a view to reducing unnecessary duplication in quality assurance activities, responsibility for ensuring that Industry Standards have been appropriately built into programme proposals sits with NZQA solely.

The extent to which the standards have the desired impact on the industries they serve (the Outcome measure). This may be best assessed through surveys of graduates and their employers upon completion of the qualification and again after a period (e.g. 2 years), investigating whether the learning outcomes achieved (i.e. the standards) have turned out to be the most useful for industry needs. The current Consistency Review model seeks to achieve this, but we believe that model would need to be reviewed if retained.

Recommendation 6. That ISBs be tasked with establishing a method for surveying their industries and WBL graduates to determine whether the Standards that they set are having the desired impact on Industry.

1.4 Quality of Standards Setting

Standard-setting is a highly specialised and sophisticated task. We suggest that there is a role for quality oversight of the standard-setters themselves. This is not evident in the Proposals.

Setting standards is a blend of industry and academic expertise within the unique cultural context of Aotearoa and mindful of international best practices. Standards need to be designed in a manner that lends itself to authentic and real-world assessment and future disruption, need to be capable of being translated into meaningful learning activities, and appropriately structured for learning progression. Multiple standard-setters may, in the absence of an overarching quality assurance framework, result in inconsistent quality.

Recommendation 7. That Government establishes a system for regulating standard-setting bodies to ensure quality and consistency, ensuring that standards are set in a manner commensurate with international best practices and New Zealand's context.

2 WBL Providers

2.1 Alignment of strengths

We suggest that should WBL be disbanded and the resources (IP, assets, kaimahi) reallocated to ISBs and ITPs, then MIT and Unitec would have a preference for taking on those WBL areas with which we already have some connection. Our intention would be to explore how we could not only accommodate WBL, but add value to employers and learners across all modalities by combining the relevant in-work, on-campus and online expertise.

It is clear to us how that could be achieved in areas in which we are already strong, such as construction and trades, business administration, hospitality etc. Areas where we currently are less active would take a little more time to develop.

As such, we ask for a process, perhaps mediated through the MoE, inviting providers to bid for or prioritise areas of alignment and integration.

Recommendation 8. That, should the Collaborative Model proceed, a process be established for strategically aligning WBL delivery expectations to the strengths of ITP Divisions to enable a value-added outcome and not merely an accommodation.

We see clear potential to develop new and better holistic services for learners and employers if WBL, on-campus and online modalities are more integrated.

2.2 Adequacy of Resources

Under the Collaborative Model, the responsibilities and resources of Te Pūkenga WBL Division will be redistributed. If ITPs are to take on WBL responsibilities, it will be important to have a mechanism for ensuring that the resources allocated are commensurate with the level of WBL delivery expectation.

There may be efficiencies that can be achieved integrating WBL and ITP divisions, but this has not yet been assessed and will likely require short term investment to achieve longer term efficiencies (such as systems integration).

(We also note that under Option 2B, there will be costs associated with returning WBL to autonomous entities, with likely no longer-term efficiency possibilities.)

Recommendation 9. That, should the Collaborative Model proceed, a process be established for strategically aligning WBL resources to the strengths of ITP Divisions to enable a value-added outcome and not merely an accommodation.

2.3 National vs Regional WBL

We are aware that some parties maintain that WBL arrangers and/or providers could not be subdivided or regionalized because some contracts are with national employers (such as Te Whatu Ora, NZ Defence and major companies).

Nationwide delivery does not require a national provider, let alone a national monopoly provider. Moreover, it is not obvious why the needs of some national employers should be

pre-eminent in determining the structure of WBL provision when the majority of employment in New Zealand is via small and medium sized enterprises.

We see no difficulty in any arranger of WBL (for example, us) being able to engage in nation-wide contracts with large-scale employers. Key account managers can facilitate this process, with delivery involving subcontracting to other regional providers when/as necessary (this has been a widespread practice amongst WBL entities and ITOs before them).

2.4 Public Property

The Independent Model will establish new autonomous entities not currently in the sector. Those entities may be public or private. They will compete with other providers. Their establishment will take property, including commercially sensitive IP such as cost structures, from Te Pūkenga WBL Division.

While operating as national Division during Te Pūkenga, the WBL Division expanded its own IP by also obtaining IP from ITP Divisions – including cost structures. This was necessary for WBL Division to fulfil its purpose as part of an integrated Te Pūkenga. However, the principles for sharing ITP Division IP with the WBL Division do not apply to transferring IP to autonomous competitive entities.

Note also that ITP Divisions, being regional in focus, did not necessarily have reciprocal access to the WBL Division's IP.

We do not have a fundamental objection to public resources ending up under private ownership *per se*. We do have a fundamental objection to commercially sensitive information from ITPs being given to new autonomous entities who may use it for unfair competitive advantage.

Recommendation 10. That, should the Independent Model proceed (or any variation thereof, whereby new autonomous provider entities are established), steps be taken to ensure that commercially sensitive information is not shared in a way that would create unfair competitive advantage.

As one part of responding to this issue, in order to help create a level playing field when disestablishing Te Pūkenga and standing up new entities, it will be important to ensure that all intellectual property that was developed by Te Pūkenga (such as unified programmes and National Office intellectual property) is shared to all Divisions.

2.5 Time

Identifying and achieving the value-added possibilities through bringing in-work, on-campus and online modalities together will take some time to realise. Therefore, we would expect in the first instance to “ringfence” any significantly new WBL activity within MIT & Unitec to ensure business continuity in the first instance and to provide time for cultural amalgamation and collective strategic planning to occur.

We offer this simply to help inform expectations.

2.6 Accreditation for WBL providers

Government has a responsibility to establish a tertiary system that takes reasonable steps to uphold the quality of training it accredits and also funds. This is especially important in a market which may introduce freedom for providers to move beyond their previous modes of delivery.

Only a small number of providers have experience managing all aspects of WBL programmes (this includes Unitec and MIT, which both offer managed apprenticeships). It is a model requiring a number of activities distinct from on-campus or online delivery, and additional to solely arranging WBL delivery. If the number of complete (i.e. managing all aspects) WBL providers is to grow, we suggest that Government through NZQA undertakes a review of the accreditation requirements for WBL delivery.

Recommendation 11. That Government establishes accreditation criteria and processes specifically for entities seeking to become WBL Providers, and that these criteria include a requirement that the provider is capable of leveraging a full range of modalities to optimise WBL.

2.7 Moratorium on New WBL Providers

Both the Independent and Collaborative Models signal new approaches to WBL for Aotearoa.

The first round of proposals included the potential for a two-year moratorium on new WBL providers.

We anticipate that new parties may wish to enter into the sector. We have no fundamental objection to this, provided that they are accredited to do so (see Recommendation 11. Recommendation 11.). However, it seems wise that time is taken to determine whether the number of current providers (allowing them opportunity to grow their scale and scope of in-work programmes) is capable of satisfactorily responding to industry's WBL needs.

We are supportive of a two-year moratorium on entities that are new to providing WBL becoming authorised. This will also provide NZQA with time to establish an appropriate system of accreditation for any new providers.

Current providers with a credible track record delivering in-work learning should be afforded an opportunity to grow their offering in this space, including expanding to new programme areas.

Recommendation 12. That a two-year moratorium be implemented on approving new WBL providers.

3 Applied Research

At MIT & Unitec, and doubtless at many other ITP Divisions, our research primarily has an applied focus. Our academic staff work with industry and community organisations to help find solutions to their real-world problems.

Under the Collaborative Model, ITP Providers would integrate with WBL Divisions to form more holistic VET provider entities. One of the potential benefits of such a change is the increased access to workplaces by research-active staff. This would boost opportunity for applied research in those places of work, to the benefit of employers and learners.

Conclusion

Thank you for the opportunity to comment on this significant proposal. MIT & Unitec stand ready to provide any further assistance that may be required to bring about an improved vocational education and training system.
