

# Reform of Vocational Education: Workforce Development Councils

*Information for employers and industry groups*

**20 September 2019**



# What is the Reform of Vocational Education?

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

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

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

# What are we aiming to do?

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

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

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

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

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

# Seven key changes, gradually introduced

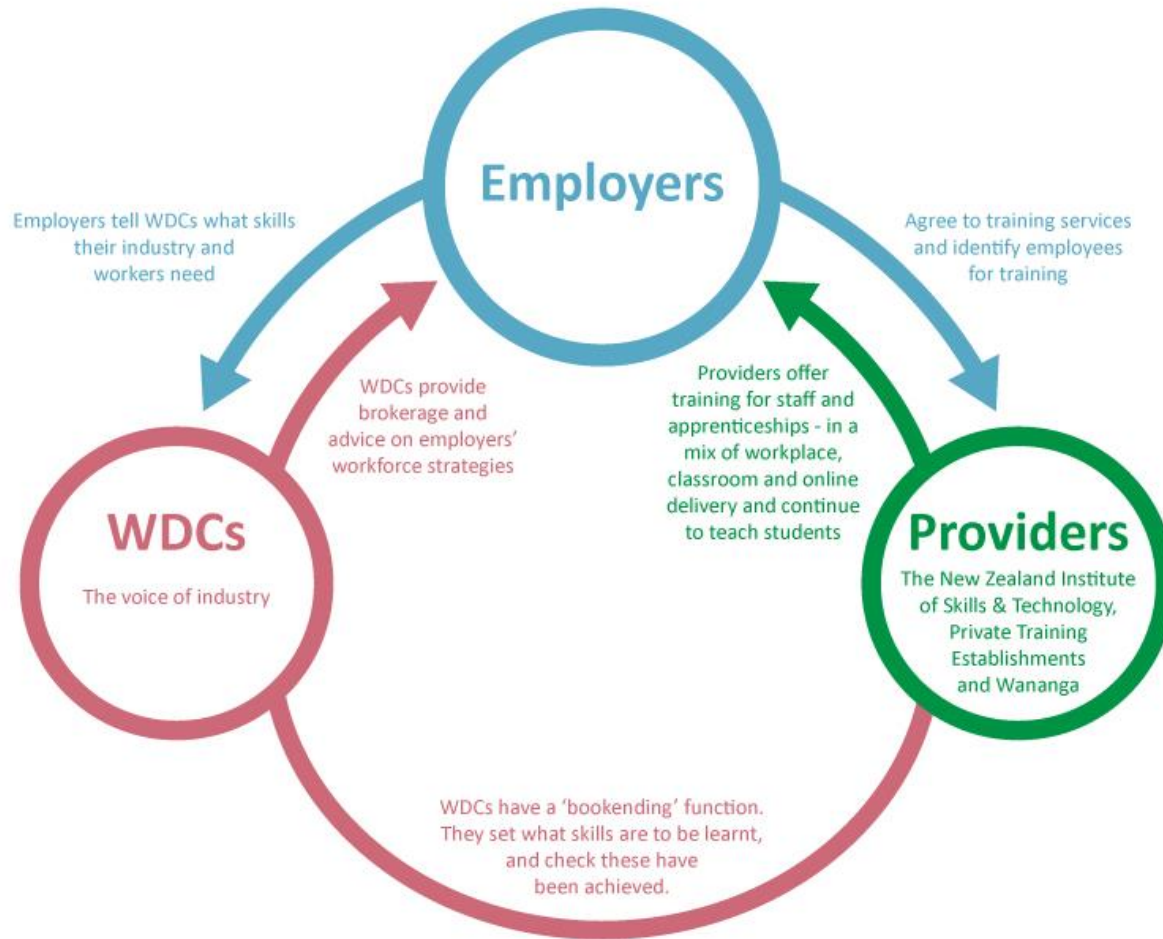
- Create **Workforce Development Councils (WDCs)**: 4-7 industry bodies with leadership across vocational education
- Establish **Regional Skills Leadership Groups**: advising on regional skills needs across the system
- Establish **Te Taumata Aronui**: to ensure the commitment to Māori-Crown partnerships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



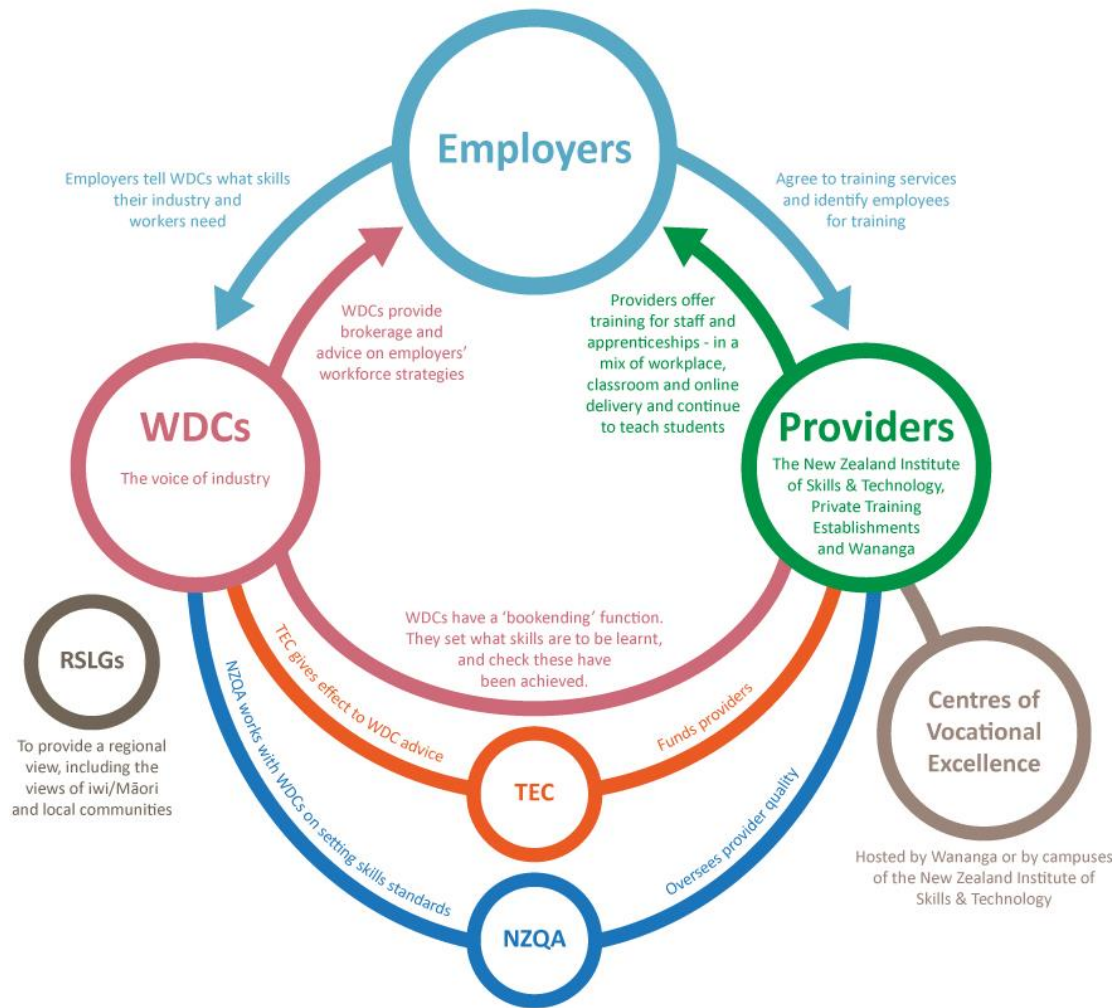
# Seven key changes, gradually introduced

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

# A simplified system view...



# ... and a more detailed view



# What are Workforce Development Councils?

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

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

## ITO

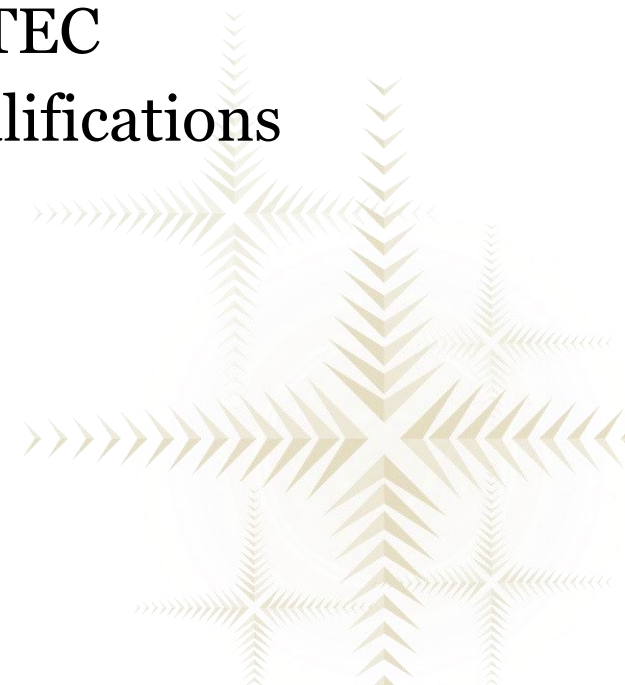
- 11 ITOs (plus non-funded Funeral Services ITO)
- Defines national skills standards
- Arrange training on behalf of employers in workplace and off-job
- All are charities (legally), established by industry
- Provide information on industry demand and need
- Don't deliver, but arrange, training

## WDC

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

# WDCs - *key decisions already made*

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



# Transition will be gradual

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

# It's business as usual for you

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



# What is yet to be decided?

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

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



# Any questions?



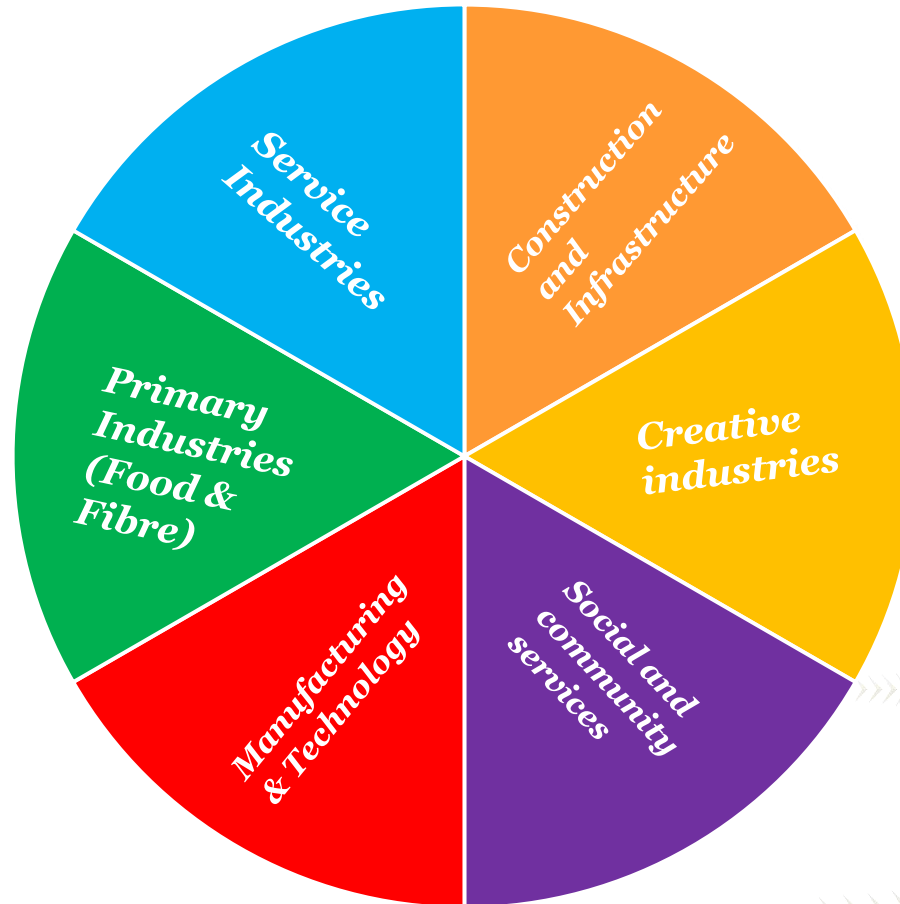
# Coverage

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

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



# Current six Vocational Pathways (VPs)

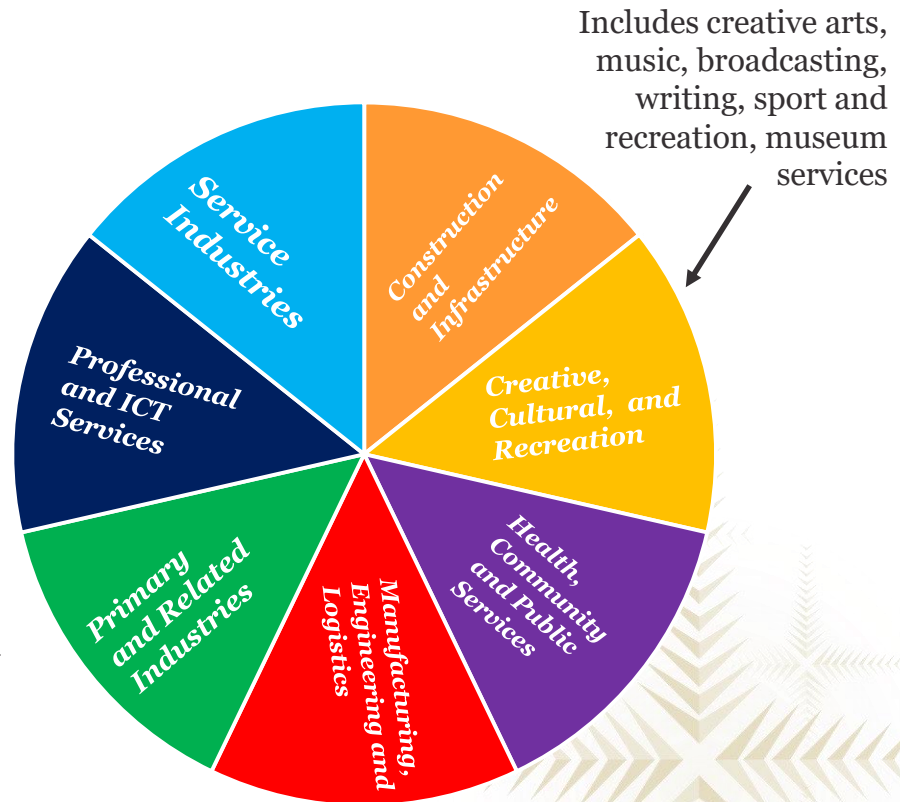


# ITO Sector has suggested an option with 7 WDCs



**Our current six VPs**

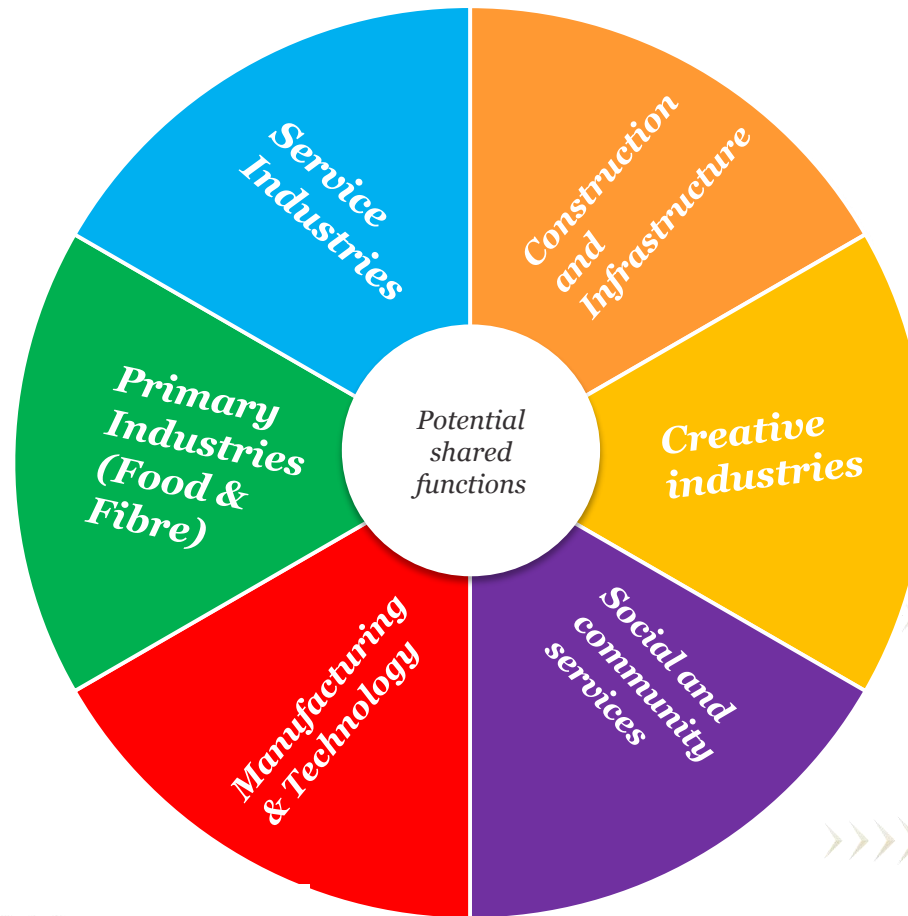
Includes financial and banking, professional services, IT, management



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

# Another option could see functions shared..

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

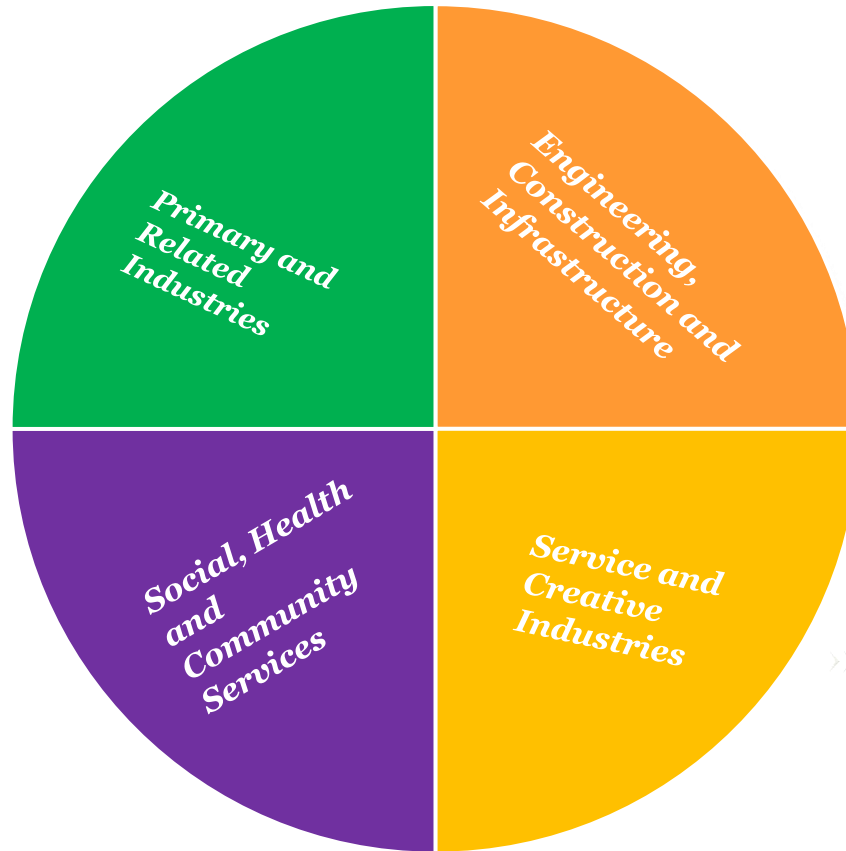


# What could the shared function include?

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



# What about four broad groupings?



# Or we could vertically integrate

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

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

# Workshop activity

## *Coverage*



# We would like your thoughts on coverage..

- On your chair, you will have found a post-it pad and a pen.
- Take five minutes and write down what you think an appropriate number of WDC groupings would be. 4? 5? 6? 7? Vertical integration? Something more? Something less?
- On a separate note paper, write why you picked this number or grouping.
- On a third piece, we'd like your thoughts on any potential shared functions of WDCs.

# A show of hands

- What sort of grouping did you think would work best?
- 4?
- 5?
- 6?
- 7?
- Vertical integration?
- Something else?



# Let's get moving

- We'd like you to try to talk to three people in the room, not sitting near you, and see what ideas they have about coverage groupings and shared functions.
- *What do you agree on?*
- *What do you disagree on? And why?*

*You'll spend about 20-25 minutes having a chat to others – and we'll also walk around the room to hear some of the things you think are really important when it comes to groupings.*

*When you are finished chatting, please stick your post it notes up on the wall around our question posters. Keep your remaining post it notes, though – we will use them again shortly.*

***Grab a seat – somewhere different than  
where you were sitting before, please!***



# Workshop activity

## *Coverage feedback*



# Governance

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

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

# Governance

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

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

*This includes how different interests are represented.*



# Workshop activity

# *Governance*



# Governance

- Again – lets spend five minutes putting some of our thoughts down on paper about potential WDC governance.
- How can industry, employers and key stakeholder groups (including, but not limited to, iwi/Māori) ensure their voices are heard?
- How could the governance structures of WDCs be stood up?
- What do you think the critical success factors are in establishing governance in WDCs?

# Governance

- Turn to the person sitting next to you, or form a small group of a few people. You're also welcome to move around the room if you prefer.
- Discuss your potential ideas regarding governance, and how you think effective and reflective governance structures at WDCs could be enabled.
- We'd like you to take into account how different stakeholder voices could be represented in these structures.



# Workshop activity

## *Governance feedback*



# Next steps

The next areas we are keen to understand are:

- What capabilities will a WDC need?
- How can WDCs share capabilities and advance issues common to all industries?
- What intervention frameworks (e.g. steps to be taken if WDC is not performing) would be appropriate?



# We know you will have more questions

- We are just beginning our process of working through WDCs and the transition of arranging training
- **We're taking a careful approach to this** – and that means we won't be able to answer all of the questions that you have today, as we are still working through details in a number of areas
- We will make sure that you remain informed.



# Keep in touch

- There are lots of ways to be heard:
  - Talk to your ITO, industry association or member organisation
  - Visit our WDC section of the TEC website
  - Send your thoughts to [WDCs@tec.govt.nz](mailto:WDCs@tec.govt.nz)
  - Sign up to the TEC's [RoVE newsletter](#)

