

ATLAANZ

ASSOCIATION OF
TERTIARY LEARNING ADVISORS
OF AOTEAROA NEW ZEALAND

Redesign of the vocational education and training system

CONSULTATION HUI TAHI: 21 August 2024

Background

- ▶ The Tertiary Education Commission (TEC) and Ministry of Education (MOE) are now consulting on proposals to disestablish Te Pūkenga and replace it with a new structure.
- ▶ Public meetings are being held across the motu at various campuses and online. **Register here:** <https://www.tec.govt.nz/vocational-education/vocational-education/consultation-on-proposed-changes-to-the-vocational-education-and-training-vet-system/>
- ▶ **Consultation closes on Thursday, 12 September 2024.**
- ▶ **Do members wish to make a joint ATLAANZ submission?**
- ▶ **If so, can we reach a consensus or majority position?**
- ▶ **How else could ATLAANZ support members to make submissions individually or in groups?**

Documents

- ▶ **The main sources of information are available on the TEC website:**
<https://www.tec.govt.nz/vocational-education/vocational-education/consultation-on-proposed-changes-to-the-vocational-education-and-training-vet-system/>
- ▶ **Consultation document:**
<https://assets.education.govt.nz/public/Documents/Further-education/VET-Consultation-document-as-at-31-July-2024.pdf>
- ▶ **Regulatory Impact Statement:**
<https://assets.education.govt.nz/public/Documents/our-work/information-releases/Regulatory-Impact-Statement-Vocational-Education-and-Training-System-Redesign.pdf>
- ▶ **Funding determinations (consultation has closed for 2025):**
<https://www.education.govt.nz/further-education/tertiary-administration/funding-determinations/>
- ▶ **Specialist Advisor Group recommendations:**
<https://www.xn--tepkenga-szb.ac.nz/assets/OIA-Responses/August-2024/Appendix-One.pdf>
Note: Released to RNZ under the Official Information Act 1982 and not available on the TEC website.

Making submissions

▶ **Submission template:**

<https://assets.education.govt.nz/public/Documents/Further-education/VET-Consultation-submission-template-Word-version-310724.docx>

▶ **Online Submission Form:**

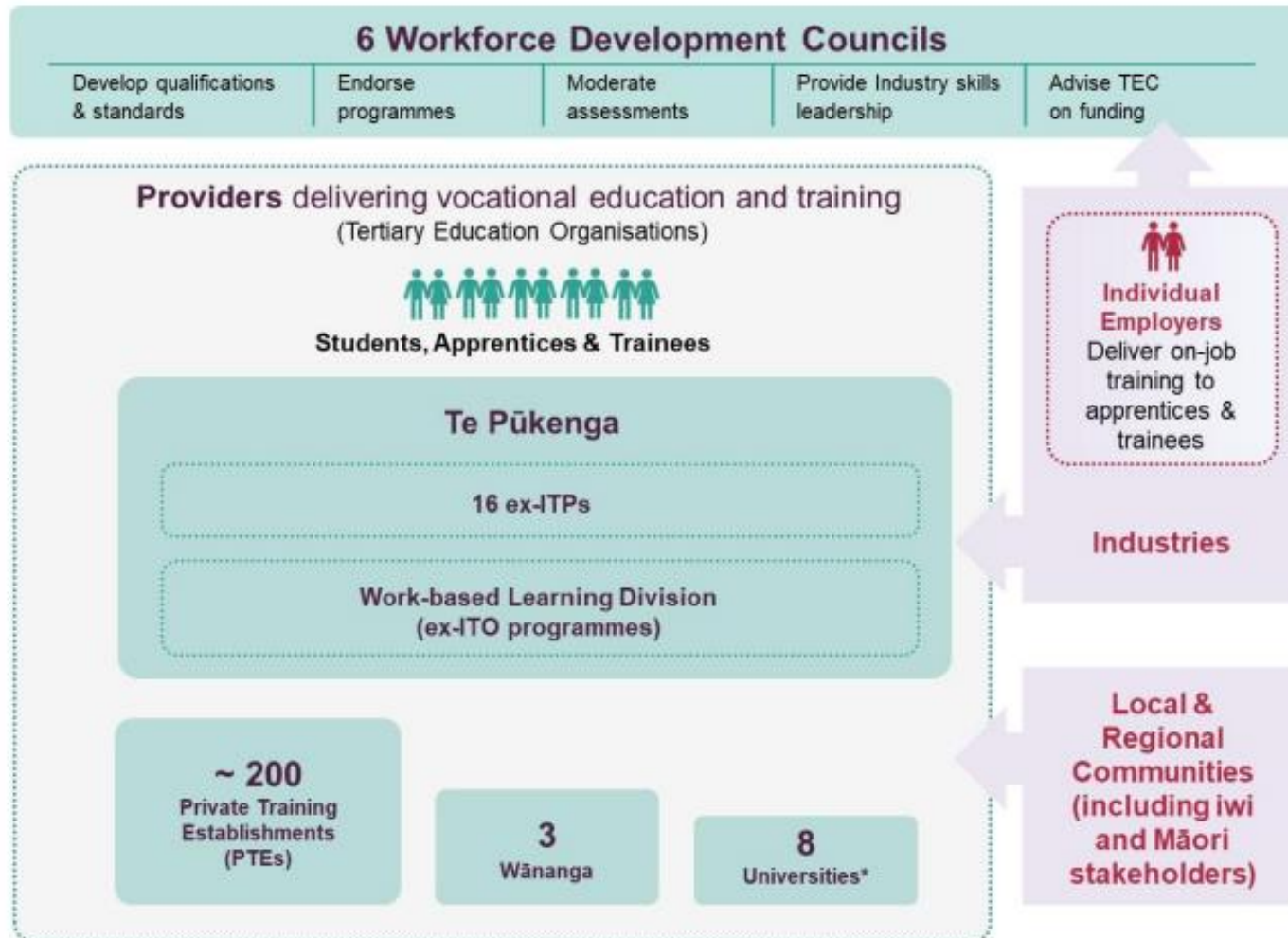
https://education.surveymonkey.com/r/Vocational_Education_Training_Reforms_Consultation

▶ **Email Address for Submissions:**

VocationalEducation.Reforms@education.govt.nz

The current structure

Figure 1: The current vocational education system



Options

- ▶ The Government was provided with advice on various options, which are summarised, evaluated and compared in the Regulatory Impact Statement and Specialist Advisor Group recommendations.

1 12 +1

Current ITP structure re-established except:

- ▶ Unitec and MIT merge
- ▶ Ara and Tai Poutini merge

2 8 +1

Eight, plus Open Poly:

- ▶ 1. NorthTec, 2 Unitec+MIT, 3. Wintec, 4. Toi Ohomai, 5. EIT, 6. W&W+WITT+UCOL, 7. Ara+NMIT+TPP, 8. SIT+Otago

3 4 +1

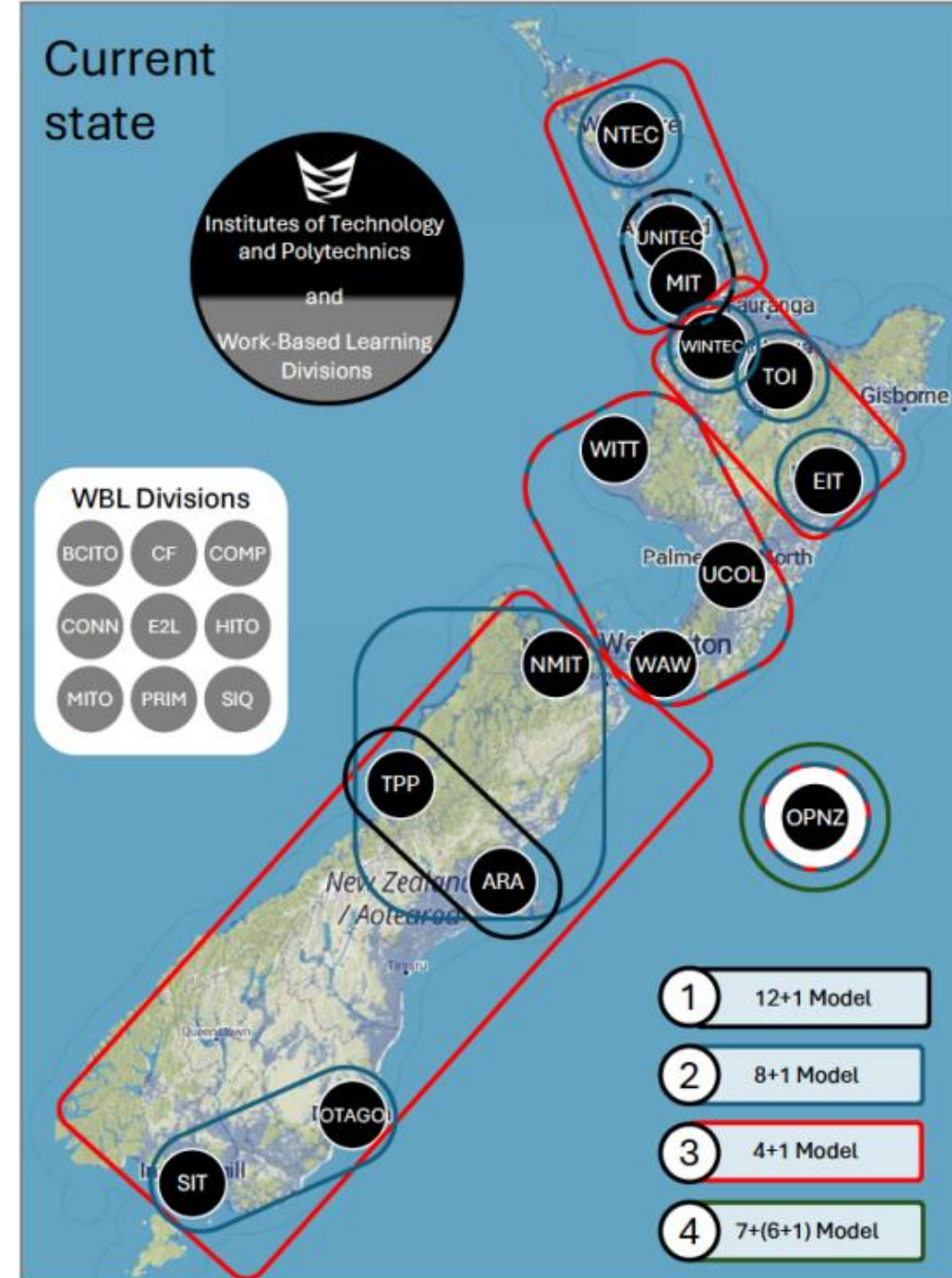
Four, plus Open Poly:

- ▶ 1. NorthTec+Unitec+MIT, 2. Wintec+Toi Ohomai+EIT
- ▶ 3. W&W+WITT+UCOL, 4. All South Island ITPs

4 7+ (6+1)

Viable entities re-establish, plus "Federation":

- ▶ Unitec+MIT, Wintec, EIT, NMIT, ATA, Otago, SIT
- ▶ Fed: NorthTec, Toi Ohomai, WITT, UCOL, W&W, TPP



Analysis

The Regulatory Impact Statement identifies the policy problems the proposal seeks to address and compares various options to the status quo/counterfactual.

Policy objectives for each proposal are specified, and colour coded tables are provided to compare various options (See pages 18-19, 24-25, 30-31).

Note. Staff and learner perspectives and priorities did not inform this analysis.

How do the options compare to the status quo/counterfactual?

Key:	++	much better than the status quo
	+	better than the status quo
	0	about the same the status quo
	-	worse than the status quo
	--	much worse than the status quo

	Status Quo	Option 2 – Te Pūkenga devolved	Option 3 – Regional ITPs	Option 4 – Standalone ITPs + Federation	Option 5 – Standalone ITPs
Local responsiveness	0	+	+	+	++
		May strengthen local decision-making, but constrained within a national entity.	May be somewhat more responsive, but regional ITPs would still be quite large and not necessarily connected to local needs.	Would centre authority, decision-making and accountability with locally based ITPs.	Would centre authority, decision-making and accountability with locally based ITPs, where viable.
System sustainability	0	0	0	-	--
		Retains economies of scale and the ability to cross-subsidise and ensure sufficient liquidity across the network. Potentially offset by increased governance complexity.	Should not significantly undermine the stability of the system compared to the status quo, provided that the overall balance of provision in each region provides for entities that have a pathway to viability.	Some economies of scale for federation ITPs, but no ability to cross-subsidise across the whole network. However, programme development support has the potential to allow member ITPs to make a credible service offer to their regions using the federation. Depends significantly on the detailed design of the federation model. Risk of failure of individual ITPs or potentially the federation.	More limited economies of scale and no ability to cross-subsidise across the network. Almost certain to result in failures without more Crown funding.
Learner and employer needs	0	0	0	-	--
		Ability to cross-subsidise and dedicated funding to respond to regional and national skill needs should allow Te Pūkenga to maintain access to a breadth of training across the country, although significant rationalisation would still be required.	Sufficiently large regions and ability to cross-subsidise should allow regional ITPs to maintain access to a breadth of training within each region, although significant rationalisation would still be required.	Impact is likely to differ depending on the financial viability of ITPs. Standalone ITPs should be viable while meeting the needs of local learners and employers, whereas federation ITPs are likely to need to make more significant changes, including a risk of more significant reductions in in-person learning.	Potentially significant loss of access to in-person study options in some regions a viable ITP cannot be reestablished or where the ITP either cannot justify offering a breadth of provision or where it is not possible for them to maintain an in-person presence at all.
Implementation cost and complexity	0	-	-	--	-
		May require legislative change, but less complex with more limited transition costs. Would still require change, and likely further investment, to address historical viability issues.	Would require legislative change with significant transition costs, including recapitalising new entities.	Legislative change would be significant and there would be large transition costs, including recapitalising new entities. Transition to a federated model would be complex and take considerable time to achieve benefits. Role and governance of the federation likely to be complex.	Legislative change would be significant and there would be large transition costs, including recapitalising new entities. Less complex than Option 4 given no need to establish a federation in legislation.
Te Tiriti and Māori-Crown relations	0	0	0	-	-
		May disrupt existing relationships with iwi, but devolution may provide greater responsiveness to local Māori priorities.	Will depend on governance arrangements and duties of the regional ITPs. Lower risk of significant loss of provision. May provide greater responsiveness to local Māori priorities.	Risk that federation results in a shift away from in person provision and a loss of facilities in some regions, which may not meet Māori needs. Will also depend on governance arrangements and duties.	Greater risk that loss of provision means the network does not meet Māori needs. Will also depend on governance arrangements and duties.
Overall assessment	0	0	0	-	-
		Least complex change to implement, but limited benefits compared to the status quo.	Would shift decision-making to broad regions, while maintaining sufficient scale to keep some of the benefits of centralisation.	May mitigate risks of loss of provision compared to Option 5, but highly dependent on design and funding of the federation model. Likely to be complex to develop and difficult to implement within available timeframes.	Greatest flexibility for individual ITPs and limited complexity. Comes with greatest risks to the network of provision, given that some previous ITPs will not be viable without significant ongoing Crown funding.

Three aspects of consultation:

1. A redesigned Institute of Technology and Polytechnic (ITP) network that retains access to ITP provision in all regions, through a combination of stand-alone and federated ITPs.
2. Options for an industry-led system for standards-setting and industry training.
3. Changes to vocational education funding from 2026 (in addition to those agreed for 2025) to better support the reformed system.

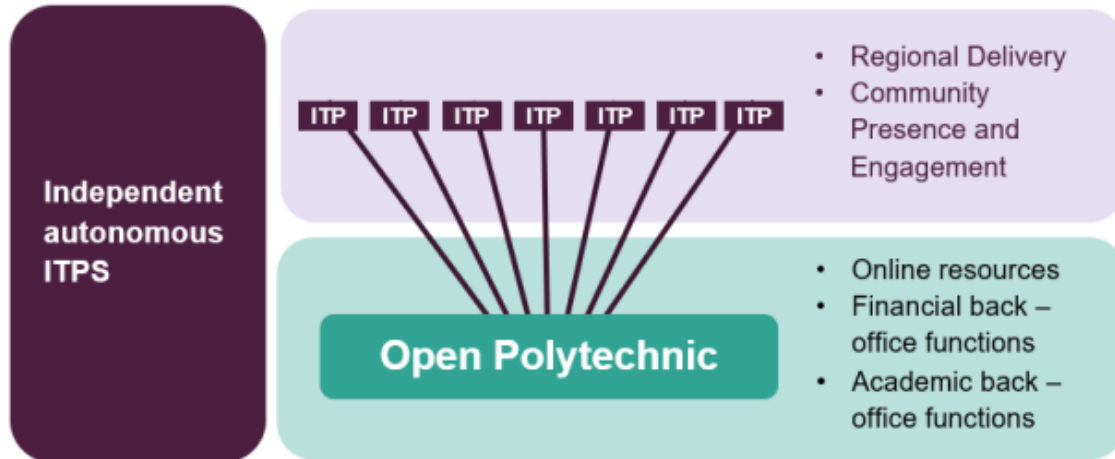
Redesign of the vocational education and training system

Proposals for public consultation



Proposal 1: Restructure ITPs

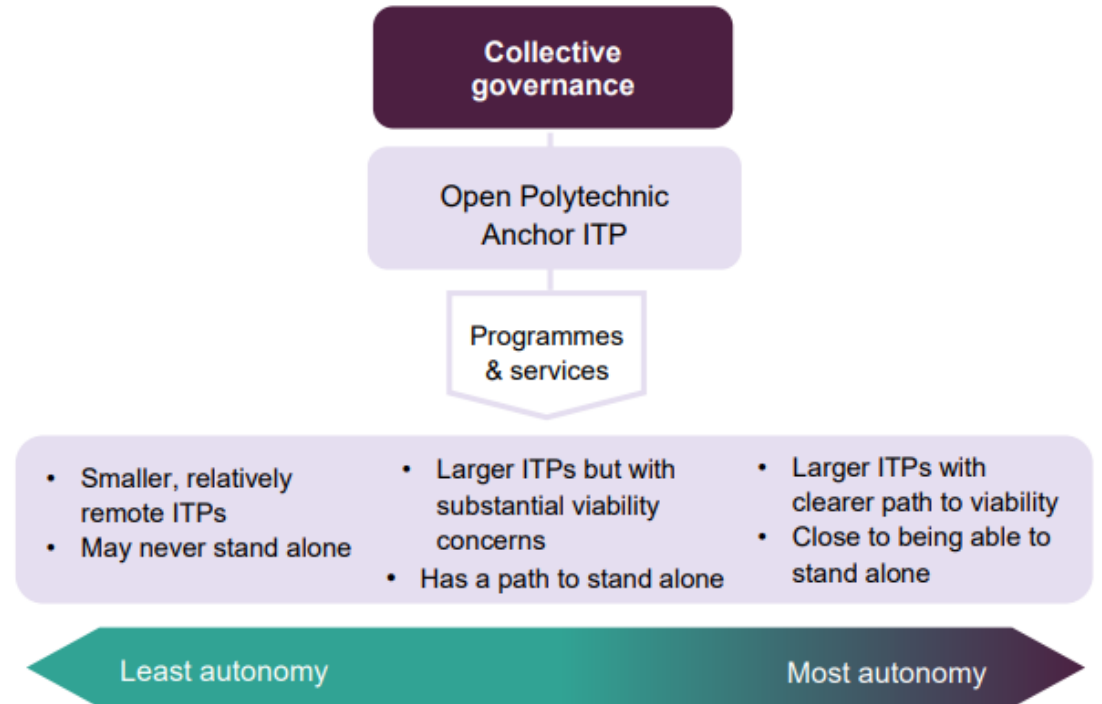
Figure 2: Possible structure of federation ITP model



Page 13 of the consultation document

- ▶ Re-establish regional ITPs [unspecified] that can “show a robust pathway to financial and educational sustainability” (p. 15)
- ▶ Establish a federation of ITPs needing academic and financial support that is anchored to the Open Polytechnic

Figure 5 – What the federation model could look like



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Independent ITPs

- ▶ ITPs that can show a “robust pathway to financial and educational sustainability” will be re-established as stand-alone entities (p. 15).
- ▶ Some existing institutions may merge, e.g., Unitec/MIT (p. 15).
- ▶ “Financially viable” institutions will have greater autonomy and local decision-making in 2025, and will become independent entities again from 2026, with support from establishment advisory groups.

Note. How many ITPs and which ones have not been specified in the consultation document.

“The Federation”

- ▶ There will be no “head office” (as there is with Te Pūkenga, p. 16) or “central services unit” (as proposed by the Specialist Advisor Group, p. 8).
- ▶ The Open Polytechnic will function as an “anchor” institution for ITPs that are financially unsustainable, or when independent ITPs are required to address poor academic or financial performance (p. 16).
- ▶ The Open Polytechnic’s existing systems and processes will be used to provide academic, financial and back office functions to ITPs in the Federation, such as programme development, academic board, budgeting and quality assurance services (p. 15-16).
- ▶ Fewer face-to-face programmes and programmes with low numbers will be offered in the regions, and there will be greater use of online and blended delivery (p. 15), presumably using Open Polytechnic programmes and resources.
- ▶ Regional provision will be retained for (at minimum) foundation education, trades, healthcare, and specialist delivery relevant to the region (p.16).

Proposal 2: Replace WDCs

- ▶ There are currently six Workforce Development Councils (WDCs) that collaborate with industry, employers and iwi to:
 1. Set standards for industry qualifications, which are then approached by NZQA. These include apprenticeships, work-based learning, provider-based programmes and online delivery.
 2. Develop qualifications
 3. Shape curricula

<https://www.tec.govt.nz/vocational-education/vocational-education/strengthening-vocational-education/workforce-development-councils-wdcs/>



Proposal 2: Replace WDCs

OPTION A: Establish a small number of Industry Training Boards (8?), similar to the previous ITOs

Figure 3: Possible structure of Industry Training Boards (Option A for industry training and standards setting)



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OPTION B: Replace WDCs with a small number of more focused industry-specific standards-setting bodies (8?)

Figure 4: Possible structure of industry standards-setters (Option B for industry training and standards-setting)



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Proposal 3: Funding Reform

- ▶ The current Unified Funding System (UFS) replaced the previous Student Achievement Component (SAC) funding system in 2023.
- ▶ It has three components:
 1. A **delivery component**, based on subject and mode of delivery, i.e., provider-based, work-based (higher), extramural (lower).
 2. A **learner component** that provides equity-based funding for learners with low prior attainment, disabled learners and Māori and Pacific learners.
 3. A **strategic component** that responds to regional and national skills needs, which is not based on “learner volume” (p. 24).

Proposal 3: Funding Reform

► **The main funding shifts are proposed from 2026 onwards:**

1. Disestablish the **strategic** component and use this to remove the lower level of funding for extramural delivery and to increase provider-based funding by $\approx 10\%$ (p. 24).
Note. This will apply to all providers of vocational delivery, including Universities, Wānanga and PTEs.
2. Restore funding to the levels they would have been under the SAC system. **“This would require repurposing a significant portion of Learner Component [equity] funding targeted to support learners with low prior achievement, disabled learners, and Māori and Pacific Learners”** (p. 25).
3. Reprioritising work-based rates to fund standards setting per Proposal 2 (p. 25).
4. Establish funding to incentivise engagement with regional industries and maximise the benefits of international education for regional New Zealand (p. 25). This funding would also encourage regional and community development to reduce Jobseeker Support numbers by 50,000 by 2023 (p. 25).

Feedback questions

Feedback Questions



Proposal 1: Creating a healthy ITP network that responds to regional needs

- *Do you agree with the consultation document's statements on the importance of ITPs? Why or why not?*
- *What do you consider to be the main benefits and risks of reconfiguring the ITP sector?*
- *Do you support creating a federation model for some ITPs? Why or why not?*
- *What are the minimum programmes and roles that need to be delivered by the new ITP sector for your region?*
- *What are the critical factors needed (including functions and governance arrangements) to best support a federal model?*

Feedback Questions



Proposal 2: Establishing an industry-led system for standards-setting and industry training

- *Which option do you prefer overall? Why?*
- *What are the main features and functions that Industry Training Boards (Option A) need to be successful?*
- *Under Option A, how important is it that ITBs and non-ITBs be able to arrange industry training? Why?*
- *What are the main features and functions that industry standards-setters (Option B) need to be successful?*
- *Are there key features of the Workforce Development Councils that need to be retained in the new system?*
- *Are there key features of how the previous Industry Training Organisations worked that should be re-introduced in the new system?*
- *What are the possible benefits and risks of having a short moratorium on new industry training providers while the new system is set up?*

Feedback Questions



Proposal 3: A funding system that supports stronger vocational education

- *To what extent do you support the proposed funding shifts for 2026?*
- *What benefits and risks need to be taken into account in these changes?*
- *How should standards-setting be funded to ensure a viable and high-quality system?*
- *How should the funding system best recognise and incentivise the role that ITPs play in engaging with industry, supporting regional development and/or attracting more international students to regions?*
- *What role should non-volume-based funding play and how should this be allocated?*

Concluding questions



- *Could there be benefits or drawbacks for different types of students (e.g. Māori, Pacific, rural, disabled, and students with additional learning support needs) under these proposals?*
- *Could there be benefits or drawbacks from these proposals for particular industries or types of businesses?*
- *Are there other ideas, models, or decisions for redesigning the vocational education system that the Government should consider?*

See list of all questions, p. 31

Next Steps?

- ▶ **Do members wish to make a joint ATLAANZ submission?**
- ▶ **If so, can we reach a consensus or majority position?**
- ▶ **How else could ATLAANZ support members to make submissions individually or in groups?**

Notes

- ▶ We may be able to reach consensus on the funding of priority learners.
- ▶ We all come from institutions that are impacted by this in potentially different ways.
- ▶ Support needs for students if blended and online learning proceeds.
- ▶ Meetings and discussions, writing group, different writers focusing on different things.
- ▶ Membership is wide and covers members across the sector. Can we speak with one voice?
- ▶ Advocate for retention of targeted funding for priority learners.
- ▶ Advocacy for ITPs likely to go into Federation.
- ▶ Ministry's Regulatory Impact Statement does not support the Minister's proposal.
- ▶ This will need to be considered by Cabinet before any decisions are proposed.
- ▶ Consultation meetings have suggested "this is the proposal that is going ahead". Our advocacy needs to focus on the proposed model.
- ▶ There is nothing in the consultation document about where support services might be located and how they might be delivered.

Notes

- ▶ It may be important to raise key issues to inform the next round of consultation.
- ▶ Co-ordinating of an ATLAANZ response might help to inform/advise individuals and teams working on submissions.
- ▶ Perhaps ask MATLAANZ/PATLAANZ to put forward separate submissions?
- ▶ Target the main areas that we can bring our expertise to inform, and where we are likely to be in agreement.
- ▶ Lack of matauranga Māori in the consultation document is a concern.
- ▶ Being anchored to online courses is hugely concerning for priority learners, who typically have a preference for face-to-face learning. Numbers of neurodivergent learners are increasing. There is often a greater need for trust and rapport to be established.
- ▶ Equity and access issues. Do learner have access to technology? Need for additional support to engage with technology. Blended and online students tend to seek more support, and often face-to-face.
- ▶ Lack of detail around what “anchoring” with Open Poly means. How could institutions move to stand alone?
- ▶ Students have not had input. Consider ways to activate advocacy groups and share resources.

Next Steps

- ▶ Make slides and recordings available to members via the ATLAANZ website.
- ▶ Claire Wickham (UCOL), Shelley Gardner (WITT) and Georgie Archibald (ARA) have volunteered to contribute to a writing group.
- ▶ Others who were not able to attend to be invited to contribute to the writing group too.
- ▶ Two more meetings are scheduled in the coming weeks.
- ▶ Next meeting to focus on key themes on which ATLAANZ can contribute collectively.