

Reform of Vocational Education

Eastern Institute of Technology
Te Aho a Māui

Submission

April 2019

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& THE SUPPORT TO SUCCEED



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Our view

The Eastern Institute of Technology Te Aho a Māui (EIT) accepts the proposed reform of vocational education that aims to ensure that the needs of learners, employers and communities drive the vocational education system, and truly deliver to the regions of New Zealand.

We strongly support the proposals to:

- Consolidate high-quality vocational education throughout New Zealand building on and expanding the high-quality teaching and learning delivered by ITPs in the regions.
- Establish Industry Skills Bodies (ISBs) to provide industry and employer leadership and transfer the training functions of industry training organisations (ITOs) to the new national provider.
- Develop Centres of Vocational Excellence hosted on the campuses of Regional Providers to support programme and curriculum development.
- Create one funding system for vocational education to support learners, underpin the sustainability of providers and responsiveness to regions and help ISBs to fulfil their roles.

We believe that the proposals need to take appropriate account of the perspectives of iwi and hapū, provide a stronger voice for regions in determining how their local priorities will be met, recognise the significant scope of the new national provider in the reforms, and reflect the depth of existing capability within many Regional Providers.

We think that the proposals could be improved by:

- More substantive engagement with iwi and hapū.
- Focusing the new national provider, which should be named the New Zealand Institute of Technology (NZIT), on providing lean strategic leadership to Regional Providers across foundation, vocational, undergraduate and postgraduate provision..
- Establishing Regional Leadership and Governance Boards that set education and training priorities for regions, strongly influence funding allocations and oversee the governance and performance of providers within their regions.
- Establishing Regional Providers as Crown entities operating as subsidiaries of NZIT within an 'earned autonomy' model so that high-performing organisations can retain a high degree of decision-making power.
- Unifying the funding system across foundation-level, degree and postgraduate education.
- A clear commitment to move quickly to implement all elements of the proposed reforms.

EIT welcomes the opportunity to partner with government as we work together to deliver positive change for the Hawke's Bay and Tairāwhiti regions.

Introduction

EIT welcomes this opportunity to provide feedback on the proposed reforms of vocational education. This submission outlines our view of the changes mooted in the relevant consultation documents and reflects our consultation with stakeholders in the regions we serve.

We draw your attention to the submission made by stakeholders in the Hawke's Bay and Tairāwhiti regions. Our submission complements that submission. The proposed changes are well-aligned with the regions' economic development strategies that seek to ensure that our communities reach their full potential by building regional economies that are sustainable, inclusive and productive (see *"Alignment to regional priorities"* on page 9).

The success of the reforms will depend on how well they take account of the economic and social needs of our regions, reflect local connectedness and responsiveness and allow meaningful regional guardianship of vocational education (see *"What is important to us"* on page 11).

We believe that EIT delivers successful higher education and training that is connected to regional stakeholders, builds on mutually beneficial partnership with Māori and reaches out to communities (see *"Why we are successful"* on page 17).

We see clear advantages in the proposal to create the seamless integration of on the job and provider-based education and training and ensure strong local Government, industry, community and iwi participation in defining regional skills needs.

There are many areas where we support the proposed reforms, however we see several areas where more work is required. The establishment of a national provider of vocational education, a stronger voice for employers and unified funding are positive steps. More work is required to strengthen the voice of regions, recognise the scale and scope of the new national provider and acknowledge the capabilities within Regional Providers (see *"Our view of the reforms"* on page 23).

The decision to exclude foundation-level, degree and postgraduate education from the reforms is a mistake. The new central entity will bring together 280,000 learners including 34,000 students enrolled in undergraduate and postgraduate programmes. It would be among the largest provider of professional degrees in Australasia (see *"Toward a new breed of institute"* on page 29).

We propose an alternative model that enables the local connectedness of Regional Providers and reflects the sense of kaitiakitanga that our regions have and those that should be managed centrally (see *"Our preferred model"* on page 31).

The reforms present a real opportunity to drive greater connections across vocational and professional education, promote the parity of esteem for vocational education and strengthen the international brand for New Zealand export education.

To make sure that the benefits of these changes are fully realised, we consider more emphasis needs to be given to supporting what we are already doing well as a region, making sure the planned transition is well-managed and not conducted piecemeal, and the changes deliver better outcomes for the people of Hawke's Bay and Tairāwhiti.

A regional view

Collaboration is a key feature of the Hawke's Bay and Tairāwhiti regions. The regions' economic development work has brought together Māori, local authorities, business and the Crown to identify how we can support the aspirations of our people.

These regions' economic development plans each identify key roles for vocational education providers and EIT in particular in supporting our people to attain the skills they need to realise their social and economic aspirations and their capacity for innovation.

EIT plays a critical role in Hawke's Bay and Tairāwhiti, and we welcome the potential for this role to be expanded and enhanced. Our capabilities are the result of the collective effort of our communities who have worked together to build, develop and maintain, and, in the spirit of kaitiakitanga, are in a real sense the property of our communities.

The reform programme is an opportunity to build on the work that EIT does currently, particularly in making sure we provide the right support for people who are not in employment, education and training, strengthening the pathways between secondary education, vocational education and employment through to professional undergraduate and postgraduate learning.

Some aspects of the proposed changes will reduce the capacity of our regions to influence its own destiny, impact on opportunities for skilled employment locally, and impede our capacity to recruit learners domestically and internationally.

We agree with our regions' mayors that more weight needs to be given to regional governance, ownership, autonomy and decision-making through the reforms. The regions' stakeholders need to be directly involved in co-designing solutions that work for our people rather than having models imposed on us. This whole of systems approach needs to embody a commitment from government to adjust policy, programme and funding settings accordingly.

The overall reforms incorporating our proposed model will result in considerable change for EIT. We have considerable experience and success delivering significant organisational change through our highly successful merger in 2011. We look forward to partnering with government to implement the reforms as we work together to bring about positive change for our regions.

A sustainable, better connected vocational education system should offer greater opportunities for the people and whānau within our regions to realise their aspirations. Clearer pathways for learners will promote the skills our regions' need to grow, innovate and prosper.

The commitment to unify the vocational education funding system is accompanied by plans for support of strategically important delivery. These changes need to be followed through to improve our ability to work with the Hawke's Bay and Tairāwhiti regions to better cater to young people who are not in employment, education or training, and our more remote communities.

The proposals involve extensive change for the current vocational education system and those involved in its success including learners, local communities, iwi, hapū, employers and industry. This process needs to be well-managed to ensure that any disruption to existing training and workforce development plans is minimised, and we retain the highly skilled people who deliver education and training in the regions.

Alignment to regional priorities

The Matariki Hawke's Bay Regional Economic Development Strategic and Action Plan 2016, the Hawke's Bay Regional Social Inclusion Strategy 2018 and the Tairāwhiti Economic Action Plan embody our aspirations to ensure that our people reach their full potential by building regional economies that are sustainable, inclusive and productive.

These strategies are the product of intensive co-design processes, and their implementation and monitoring is a collaborative process. Our strategies focus on developing our people and the infrastructure, assets and businesses that underpin our economic and social progress.

Our collective approaches at a regional level are consistent with the proposals for a stronger stakeholder voice in the design and delivery of vocational education.

Matariki Hawke's Bay Regional Economic Development Strategic and Action Plan 2016

This plan identifies pathways to employment and the related training to be delivered in a more coordinated way between government, schools, EIT and other training providers. In this sense, *the proposals for a seamless vocational education system are consistent with the way we think about economic and social development.*

Fostering a spirit of lifelong learning across the region's workforce is a key focus of our Ngā Huarahi Whai Rawa – the pathways through employment priority in the plan. This priority identifies the need to work closely with local businesses to understand the barriers to their career success and clarify the options available to them. As a result, *the proposals for integration of workplace, face to face, blended and online delivery of vocational education and brokerage services for employees and employers are timely.*

Tairāwhiti Economic Action Plan

Similar themes infuse the Tairāwhiti Economic Action Plan. This plan calls for clear vocational pathways so people can progress through training into long-term employment. In this regard, *the proposal to consolidate vocational education within a single regionally-focused provider with the support of a national organisation is welcomed.*

We recognise in this plan that better support systems need to be established to enable the potential for Māori economic development to be realised. In doing so, our plan affirms that Māori need to be self-determining about the direction and priorities for economic development and have a central role in regional economic governance and management.

Hawke's Bay Regional Social Inclusion Strategy 2018

This strategy includes a goal of increasing the number of people in skilled employment, education and training. We identify the importance of creating environments and social structures that enable them to make use of their capabilities and resources.

Disadvantage is unevenly distributed in our regions, and institutional racism is a key limiting factor for our Māori communities. *We consider the opportunities for Māori advancement to be underdeveloped in the proposed reforms and recommend further work be undertaken.*

What is important to us

For the reforms to be successful, they need to focus on the economic and social needs of our regions, support our strong track record of local connectedness and responsiveness and allow us meaningful influence, decision-making and ownership of vocational education.

Key economic and social needs

We need to have confidence that any new model addresses the key economic and social development priorities of our regions.

The Tairāwhiti and Hawke's Bay regions are major centres of pastoral farming, horticulture, forestry and food manufacturing. Each region also has specific comparative advantages with high levels of employment growth in industries such as telecommunications and transport services in the Tairāwhiti region and accommodation, food services, construction and professional services in the Hawke's Bay region.

The regions' businesses are export-intensive, but skills shortages are reported across the spectrum from entry-level work to technical and management skills. Research indicates shortages in construction, machine operation, metalwork, food manufacturing, health workers, horticultural workers, ICT, engineering, marketing and accounting.

Underpinning our future prosperity is our capacity to innovate and support our people to realise their aspirations, particularly among young people, our Māori communities and those who experience some degree of socio-economic deprivation.

Overall the regions have a lower rate of attainment of secondary school and advanced technical qualifications, and we have a higher proportion of NEETs, higher unemployment and lower per-capita income when compared to New Zealand as a whole. These differences contribute to higher levels of unemployment in the regions compared to the rest of New Zealand.

Māori make up a higher share of the regions' collective population when compared to the rest of New Zealand. As a result, Māori student success and improving the ability of a regional provider to meet Māori aspirations is core business. Critical to this approach is a dedication towards mātauranga Māori and workforce development.

Furthermore, there are significant opportunities to support Māori to play a more significant role in the economic life of the region, particularly where Māori businesses are aligned with the comparative economic strengths of the region. Given demographic trends, Māori will be an increasingly critical component of the regions' future workforce and economic activity.

The people of the regions experience disparities in life outcomes. The New Zealand Social Deprivation Index identifies concentrations of people and communities who experience socio-economic deprivation in the two regions, and particularly in Gisborne, Napier and Hastings (see Figure 1 and Figure 2 below).

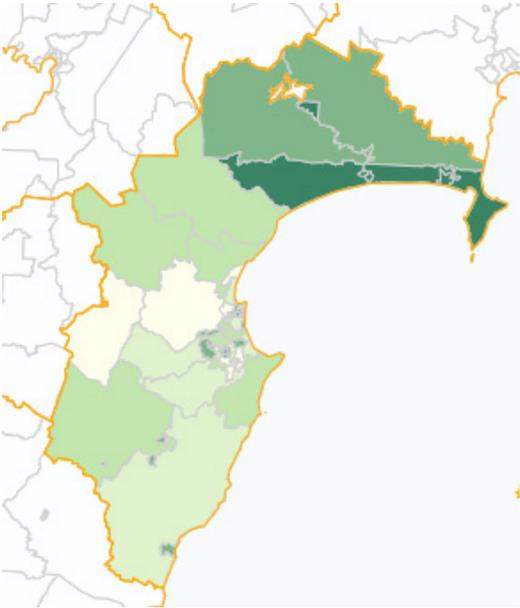


Figure 1:
Social Deprivation Index
Hawke's Bay, 2013

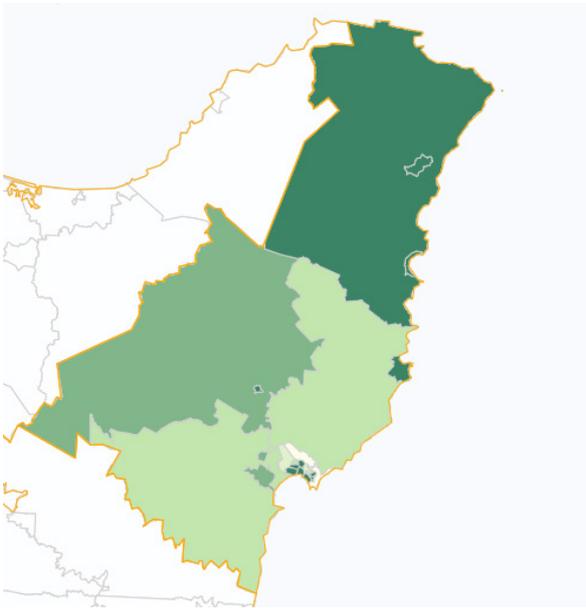


Figure 2:
Social Deprivation Index
Tairāwhiti, 2013

Note: Darker shades indicate higher socio-economic deprivation.
Source: Healthspace, Massey University, NZ index of deprivation 2013

An index developed by the TEC shows that EIT's learners are more likely to have backgrounds associated with higher levels of deprivation than any other ITP. We recognise the great success of EIT in engaging these learners through sound strategies and systems and an underpinning culture focused on learner success and valued community outcomes.

Supporting local connectedness

We need to have confidence that any new model supports the successful track record of EIT of local connectedness and responsiveness.

Whanaungatanga or developing and maintaining long-lasting relationships with stakeholders is central to effective tertiary education provision in the regions. Such relationships shift the paradigm from provision for, to provision with communities. This requires the provider to acknowledge the significant contribution communities have to offer and to support community-grown, effective solutions where appropriate.

We are strongly connected to our providers of vocational education and training. In particular, EIT is deeply engaged at multiple levels with stakeholders in our communities through regional economic development and social inclusion strategies, innovative cross-regional provision and education and training that is connected to local needs.

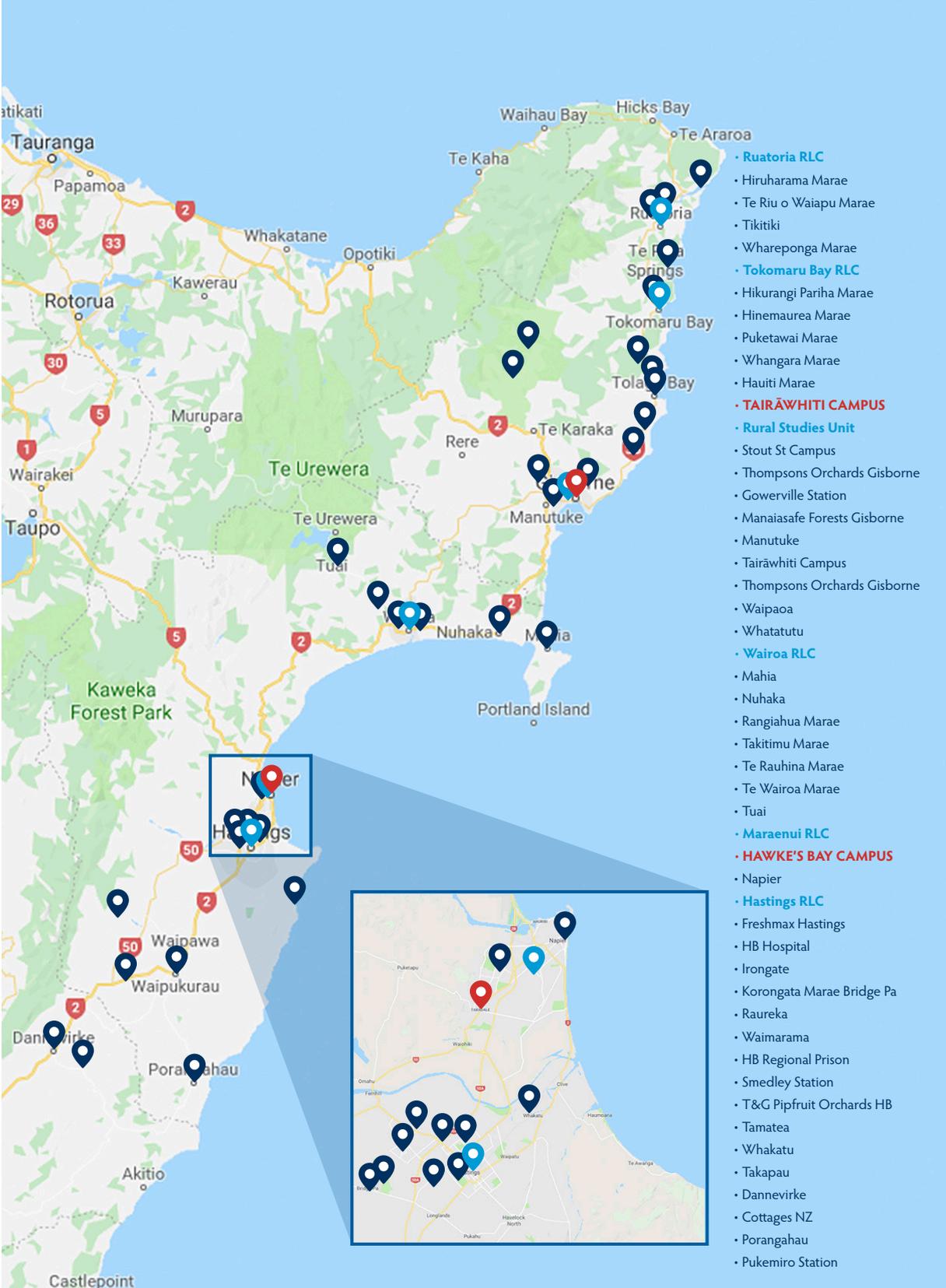


Figure 3: Delivery Sites, 2018

The Hawke's Bay and Tairāwhiti regions are home to 201,700 people. The population is centred on the major urban areas of Napier, Hastings, and Gisborne cities. The regions are also home to the towns of Wairoa, Waipukurau, Waipawa, and Ruatoria and numerous small towns and communities on the East Coast north of Gisborne.

The regions collectively cover an area of 25,000 square kilometres. Many industries are highly dispersed with few opportunities for economies of scale, particularly agriculture and forestry.

The regions benefit from major campuses in Hawke's Bay (Taradale) and Tairāwhiti (Gisborne) and several regional learning centres that cater to the needs of people living in remote rural areas (see "Figure 3: Delivery Sites, 2018" on page 13).

Through its presence and local connections, EIT is deeply integrated in regional effort to develop our key workforces, create new school-industry partnerships, promote sustainable value-added horticultural production and a cutting-edge bioservices sector, development of the tourism workforce and local skill development.

While technology plays an important role in catering to learners who are distant from our main campuses, a physical presence and staff with an intimate knowledge of the communities that they serve are vital. We must maintain a broad base of local provision at all levels to avoid the negative effects of 'exporting' our people to other centres for advanced study.

Any new funding model must take into consideration the additional cost of supporting these isolated rural communities where economies of scale cannot always be achieved.

Empowering our guardianship role

We need to have confidence that any new model allows us meaningful influence, decision-making and guardianship over the significant assets and capacity we have developed so we can remain nimble.

EIT was established as New Zealand's first tertiary community college more than 40 years ago. The organisation reflected a strong desire by people who lived and worked in the region to have access to quality education. Community colleges were designed to provide education as a two-way process between the college and the community.

This sense of connection is reflected in the strong sense of kaitiakitanga over EIT that regional stakeholders in Hawke's Bay and Tairāwhiti express. This concept of kaitiakitanga underpins how we think about the communities we represent and serve, and the way we have come together as two separate but intimately connected regions to develop and grow and support each other.

Kaitiakitanga conveys a sense of guardianship over valued items which can be understood not as a process of ownership but an individual and collective role in safeguarding ngā taonga tuku iho (treasures that have been passed down) for the present and future generations.

This sense of guardianship extends more broadly to the obligations we have to protect and preserve the unique identity of our people, the central role that iwi, hapū and whānau play in our communities, the environment that sustains our people and industry, and the economic and social progress we have made.

The physical and financial assets, relationships, partnerships and collaborations, history, reputation and brand of EIT form an important part of the fabric of our regions. As such they are valued items that our communities have worked together to build, develop and maintain, and are in a real sense the property of our descendants.

We need to be able to exercise our guardianship role in a meaningful way. Meaningful guardianship is underpinned and inextricably tied to the capacity to make decisions about the things that matter to us. We see locally-appointed Regional Leadership and Governance Boards representing local stakeholders as the best vehicle for exercising this capacity.

An 'earned autonomy' model would support this capacity effectively. Objective assessments of the past performance of providers should inform how much latitude each provider has in terms of their capital and operational budgets, staffing decisions, academic quality decisions, innovation and support systems.

Autonomy matters to stakeholders. They see the capacity of local providers to respond to their needs reflecting their own ability to exercise ownership and guardianship. This sense of guardianship underpins a sense of shared identity and a recognition of local providers as a preferred source of education and training.

We need to enable our communities to have access to high-quality vocational education and training that will allow quick adjustment to changing economic and social conditions. We look forward to a strong role in helping to support vocational education for our regions.

Why we are successful

Breadth, depth and reach are important words in the EIT vocabulary. They are institutional catch cries, underpinning a culture that supports, encourages and promotes tertiary education pathways across our many communities. The constant fine-tuning needed to respond to diverse learning aspirations, while also meeting the wide-ranging needs of employers seeking skilled staff ready for work can be challenging, but it undoubtedly makes us a more effective education provider.

EIT's model of educational delivery works well for the regions of Hawke's Bay and Tairāwhiti because it is deeply connected to our regional stakeholders, supports the aspirations of Māori and reaches out to our communities.

We make it a strategic priority to build active partnerships with iwi, hapū and whanau, Pasifika, employers and industry, regional and international communities and our partners in the education sector.

Our commitment to active partnerships was a key reason for the successful merger between EIT and the former Tairāwhiti Polytechnic in 2011. The prime objective of the merger was to improve tertiary education outcomes for the Tairāwhiti and Hawkes Bay Regions. This objective has been realised with a wider range of offerings, steady growth in student numbers, enhanced student achievement, improved staff engagement, strong support from the region and enhanced brand awareness.

This improved performance was achieved by working in partnership with people from the Tairāwhiti region and applying the 12 key principles referred to in "Appendix one – Response to selected consultation questions" on page 43 to the post-merger transition period.

We are present physically across much of the region. Our people are involved in the communities we serve rather than servicing distant communities from central hubs. This presence gives us meaningful insights into the needs of our local communities which strengthens the contribution we make to regional planning and strategy development.

Our approaches are underpinned by deep, sustained relationships with iwi, hapū and whanau across the regions. These relationships are not episodic, but rather the product of a sustained commitment to making sure we organise ourselves in a way that works for Māori.

Connectedness

EIT has made it a strategic priority to build active partnerships focused on learner success with iwi, hapū and whanau, Pasifika, employers and industry, regional and international communities and our partners in the education sector.

EIT is a key contributor to the regional economic development strategies of both Hawke's Bay and Tairāwhiti. We sat on the governance and project groups along with other key regional stakeholders such as local government, iwi, employers and other community organisations. Skills development remains a critical component of both strategies.

Industry partnerships and industry-based learning opportunities are a critical component of the EIT delivery model. For example, during 2017 EIT partnered with Pipfruit NZ/Primary ITO/Toi Ohomai/Kiwifruit NZ to develop the Level 5 Diploma in Horticulture (Post Harvest). We built on this work with these partners to introduce another strand (Fruit Production) in 2018. This initiative required special funding (Joint Ventures and Amalgamation Partnership funding) from the TEC to make it viable as well as understanding from the quality assurance agency. This is emblematic of the limitations that the volume-driven funding system engenders.

Strategic and local partnerships and connections with stakeholders inform the design and selection of programmes. Our regional learning centre staff are intimately connected to the communities they serve. They act as the organisation's eyes and ears in local communities seeking out opportunities to address unmet demand for training.

One example is the Building, Construction and Allied Trade Skills (BCATs) programmes offered in isolated rural communities. The decision to offer BCATs in an isolated, predominantly Māori community on the East Coast, resulted from informal interest expressed by a kuia in the local community. The programme attracted 70 enrolments in an area of New Zealand underserved by vocational education.

Community demand stimulated the introduction of the 20-week hemp Sustainable Horticulture (industrial and medical hemp cultivation and commercialisation) course. The programme was a direct result of the success of the Ruatoria-based Hikurangi Cannabis Company – the first New Zealand company to be granted a medicinal cannabis cultivation license. The course leads to the conjoint programme of the New Zealand Certificate in Horticulture (General) (Level 3) and the New Zealand Certificate in Sustainable Primary Production (Level 4).

Underpinning these connections is our people-centred approaches. The principles that underpinned our successful merger in 2011 (see *"Appendix one – Response to selected consultation questions"* on page 43) emphasised student success, respect for our respective histories, recognised our strong local identities and focused on our people.

Our focus on people is reflected in the way we connect with learners. Face to face support services, hands-on learning in small groups, our up to date equipment and facilities and connections with industry are cited by students as distinctive features of their experience at EIT. We see these people-centred approaches as key to the success of the new entity, particularly as we integrate those in workplace-based training with the wider vocational education system.

This connectedness to our learners is reflected in our programme design. We offer a range of interconnected options so that people working in the regions can access skills and qualifications of increasing complexity. The role that our academic staff play in working across foundation, vocational, undergraduate and postgraduate programmes positively impacts on the experience of learners, particularly those enrolled in sub-degree programmes.

Māori leading their own success

Creating mutually beneficial relationships with Māori communities is a priority in meeting the educational and social needs of Māori students. Building wide-ranging partnerships with Māori – iwi, hapū, marae, - continues to be a key strategy for the institution.

Iwi are a strategic partner with EIT. Māori are represented at a governance level accounting for half of our council. Our Māori Strategic Advisory Group comprises representatives from the regions with a wide range of professional expertise and oversees our Māori Student Success Framework. We are active partners with iwi in collaborative programmes such as the Māori and Pasifika Trades Training consortia. We also support community initiatives connected to the centre of Te Ao Māori. For example, a group of Toihoukura students helped to restore the ageing whareniui on Ohako marae in Manutuke, west of Gisborne.

EIT is also known as Te Aho a Māui. This name was gifted to the organisation in 2011 and acknowledges Māui, the eponymous ancestor of the North Island, who created a myriad of connections, through whakapapa (genealogy), geography, and historical deeds. This name holds special significance to the peoples of the East Cape to the Takapau Plains, and is inclusive of all those drawn together to EIT in the pursuit of learning.

There is a strong alignment between our portfolio of provision and the economic and social aspirations of iwi. As a result, Māori access a wide range of opportunities for education and training and pathways to employment and further study.

Our programmes make a substantial contribution to the sustainability of Mātauranga Māori and are valued by iwi who have longstanding relationships with the academic departments Te Ūranga Waka, Te Whatukura and Toihoukura. We are contributing to the revitalisation of te reo and tikanga, particularly for iwi in both Kahungunu and Tairāwhiti, through our wānanga, and degree programmes. Our developing postgraduate programmes in Heritage and Museum Studies are also addressing a critical shortage of expertise in the care and protection of taonga Māori nationally.

Evidence of the value is demonstrated through graduates applying te reo Māori, tikanga Māori and Māori knowledge in a range of contexts including on the marae, in kura and kōhanga reo, on radio, and in iwi business. Students also contribute back to their communities in a range of ways, including marae and iwi restoration projects, maara kai, and te reo Māori projects.

We engage with key Māori-owned businesses to ensure that our programmes meet their needs, and work with employers to ensure students have culturally-appropriate opportunities for work-integrated learning. The Māori and Pasifika Trades Training that we are a part of - Te Toka Consortium, and Te Ara o Tākitimu – provide opportunities for young people that include carpentry, agriculture, forestry, tourism and hospitality. We also have a comprehensive primary industries portfolio that is aligned with the asset base of Māori.

Programmes that reach out to communities

EIT is constantly seeking opportunities to extend student access to learning. We offer programmes across our extensive network of teaching locations (see *“Figure 3: Delivery Sites, 2018” on page 13” on page 20*).

Some recent examples include:

- The ‘light earth’ building programmes offered at the Ruatoria Regional Learning Centre. This programme explores alternative and affordable house construction methods using locally-sourced natural and recycled materials. A trial earth house was constructed using framing material sourced from trees around Ruatoria in 2017. The programme develops the skills needed to build similar houses that offer sustainable, healthy and affordable living options for the East Coast and beyond.
- A former garage in Mahia was modified to allow nine students - a mix of ages and five of them women – to complete foundation education in automotive engineering. Students reinforced their learning by working on practical projects, making crayfish pots, repairing quad bikes, chainsaws, lawnmowers and carrying out prewarrant of fitness checks on cars to benefit the wider community.
- EIT has partnerships with three working farms for cadet training in rural Hawke’s Bay and Tairāwhiti. The cadets live for two years on the training farms, which run cattle, sheep and deer, allowing them to complete a range of agricultural qualifications.
- The New Zealand Certificate of Cookery (Level 3) is offered as a marae-based programme. In 2017, the programme was delivered at Pukemokimoki marae in Napier, Te Pahou marae, Manutuke and at Takitimu marae, Wairoa. The qualification can be a stepping stone to higher level catering and hospitality programmes.
- The Mahinga Kai programme focuses on traditional Māori methods of food growing, gathering and cooking, and apiculture. This programme is offered through EIT regional learning centres and in more remote rural settlements.

- Students from a range of EIT's programmes collaborated to restore the Donner's Bush Scenic Reserve on the outskirts of Gisborne. Second-year New Zealand Certificate in Farming Systems students helped with fencing and establishing a green belt along the river bank while New Zealand Certificate in Agriculture (Vehicle, Machinery and Infrastructure) students assisted with seed and plant propagation.
- The modest number of people willing to take up vocational education in the forestry industry means that the capital costs of forestry-related machinery can be prohibitive. Despite these costs, EIT purchased a logging truck and trailer in 2017. Our motivation was to ensure that graduates had real experience of the kinds of vehicles they would be using on the job. The truck allows graduates of the New Zealand Certificate in Road Transport to achieve both a class 5 heavy vehicle licence and hands-on experience using the types of vehicles used in forestry operations.

Internationalisation

EIT's approach to international education enhances the overall teaching and learning experience we offer all learners, supports overall national goals for export education and makes a significant economic contribution to the region.

International students contribute to the calibre of the education experience of our domestic students by fostering cross-cultural communication skills and exposing our domestic students to different schools of thought and how these are applied in industry around the world.

We focus on advanced learning through our specialist international postgraduate campus, EIT Auckland site. The campus supports enrolment growth in both Auckland and Hawke's Bay. It demonstrates our capacity to develop and manage teaching and learning environments distant from our main campuses, diversify our markets for international students and shift the focus of learner success toward higher level qualifications in line with government priorities.

Our specialist international market knowledge, skills, services and regional brand identity have underpinned a significant economic contribution from international education. International education generated \$21 million in value and 212 jobs in Hawke's Bay alone in 2015/16, the lion's share associated with EIT.

Local communities also benefit from international student spending. Each international student spends around \$26,900 per annum on local (non-education) good and services. Since these estimates were completed, the number of international students at our Hawke's Bay campus have grown by 33%.

Our view of the reforms

EIT welcome key features of the proposed reforms. In particular, we strongly support the proposals to redefine the roles of industry bodies and education providers and establish a unified education funding system, and we see opportunities for the consolidation of the current ITP network.

We note, the impacts on Māori of the reforms are not well articulated in the consultation documents and we are concerned to see more substantive engagement with iwi. Engagement with Māori needs to take account of the principles of the Treaty of Waitangi.

Government should move quickly to implement the proposed reforms noting the areas where we consider that further consideration is warranted. Merger and change processes of this nature need to be implemented quickly to minimise disruption to existing training arrangements and confusion in the marketplace.

The temptation to slow the pace of change for some or all of the reformed system should be avoided given the interrelated nature of the reforms.

Proposal 1: Redefined roles for industry bodies and education providers

We strongly support the proposal to redefine the roles of industry bodies and education providers. In particular, we agree that:

- Establishing new “ISBs” to provide industry and employer leadership of all vocational education is a positive development.
- Providers should be responsible for all vocational education provision, including supporting workplace training.
- ISBs would ensure industry needs are met by setting standards across all vocational education, moderating end of study assessments, and contributing to curriculum development.
- Centres of Vocational Excellence should be established to support programme and curriculum development.

More work is required to:

- Balance the desirability of professional organisations such as the Nursing Council of New Zealand and the Teaching Council of Aotearoa New Zealand seeking registration with the potential for a proliferation of ISBs.

- Clarify that while ISBs should have a role in the approval of vocational education qualifications, final approval should sit with the New Zealand Qualifications Authority (NZQA).
- Focus the role of ISBs on setting standards for their workforces and contributing to curriculum design, introduce strong protections relating to capstone assessments and limit funding advice to an advisory function only.
- Clarify the relationship between ISBs and Private Training Establishments including ensuring that ISBs do not retain any ownership or controlling interest in providers.
- Clarify the relationships between ISBs and Centres of Vocational Excellence, Regional Leadership and Governance Boards and the NZIT/Central Offices.
- Support the sharing and transferring of expertise in the staffing of Regional Providers and ISBs.
- Consider whether a national council for ISBs may be desirable.

We agree that the reforms have the potential to clarify and strengthen the roles and functions of employers in the vocational education system subject to these changes. We provide additional context in our response in *Appendix one*.

Proposal 2: Create a New Zealand Institute of Skills and Technology with a robust regional network of provision

We welcome the proposal to create a national provider that offers high-quality vocational education throughout New Zealand building on and expanding the regional presence of the current ITP network.

We see considerable opportunities to build on our connections in our regions to grow the market for industry training. Approximately 5,000 trainees are engaged in vocational education in Hawke's Bay and Tairāwhiti. A small subset of these trainees are in employment suggesting that workplace-based learning accounts for less than 5% of all employees in the region. The currently dispersed system also sees the 24,000 businesses in the two regions interacting with more than a dozen, uncoordinated providers of training.

EIT already delivers high-quality vocational education to people in employment across a range of industries. We look forward to building on our relationships with employers and ITO staff involved in arranging training to bring much needed coordination, consistency and improved quality to workplace-based learning.

In particular, we agree that:

- There are opportunities to consolidate and centralise some functions and activities currently undertaken by regional ITPs and ITOs in the national provider.
- Regions need to have a stronger role in advising the national providers and TEC on local skill needs.
- The national provider should be guided through an institutional charter set in legislation.
- Subject to due diligence existing online provision including successful platforms such the TANZ e-Campus and that of the Open Polytechnic of New Zealand should be integrated with employer-led and campus-based training.
- Centres of Vocational Excellence should be hosted on the campuses of Regional Providers .
- Some activities could be centralised at the national office and Regional Providers.

More work is required to:

- Ensure that the distinctive nature of the new entity is recognised given the anticipated consolidation of foundation, vocational, undergraduate and postgraduate education, training and research (see *"Toward a new breed of institute"* on page 29).
- Infuse the perspectives of tangata whenua throughout the reformed system.
- Support successful locally-connected and regionally-relevant approaches through a strengthened regional governance function led by a Regional Leadership and Governance Board supported by an independent secretariat.
- Rapidly integrate workplace-based training with the wider education and training system given the need to minimise duplication of effort and confusion for trainees and employers.
- Maintain local connectedness and responsiveness through an earned autonomy model that provides a degree of independence and flexibility for Regional Providers.
- Ensure Regional Providers should be responsible for the delivery of the range of foundation, vocational, professional and applied programmes and applied research that they currently offer.
- Define how the Regional Leadership and Governance Board should interact with ISBs.
- Maintain the specialist international market knowledge, skills, services, regional brand identity and decision-making autonomy within Regional Providers.
- Recognise that any coordination of international student recruitment should provide flexibility for innovative approaches that connect international learners to regional communities such as our postgraduate programmes offered at the EIT Auckland campus.
- Define the respective roles and functions of the national provider and Regional Providers.

- Determine the appointment process for the governing council and Regional Leadership and Governance Boards to ensure that community stakeholders, learners and people with a deep familiarity with the industry training system are represented.
- Consider how the current degree and postgraduate provision of Regional Providers would integrate and interact with the reformed system.
- Fully understand the impact of having educators adapting centrally produced material to the needs of their students.
- Establish whether the proposed name of the national provider is appropriate given wider objectives for domestic and international marketing and our regional identities.

We are committed to contributing to the changes that will result from these reforms. However, it is our view that there needs to be greater emphasis placed on regions managing their own destiny through strengthened regional governance, ownership and decision-making.

Greater regional control and influence is important in ensuring that we can maintain our partnership with Māori, sustain our high degree of connectedness with our communities and continue to seek opportunities to extend student access to learning.

Proposal 3:

A unified vocational education funding system

We welcome the proposal to create one funding system for vocational education to support learners, underpin the sustainability of providers and responsiveness to regions and help ISBs to fulfil their roles. In particular, we agree that:

- There should be funding for strategically important delivery that comes at a higher cost due to socio-economic deprivation and geography.
- There should be employer contributions to offset the costs of ISBs and industry/employer contributions to the costs of training.

More work is required to:

- Design the system so that the emphasis shifts from a focus on year to year performance to investment in a long-term strategy for regions and industries.
- Establish whether the incentives in the basic mechanisms of the funding system are appropriate and fit for purpose given the Government's objectives for the system.
- Set appropriate incentives and flexibility to offer innovative products and services and develop international education including mechanisms for Regional Providers to retain non-Crown funding.

- Recognise the importance of ensuring that the viability of the system is supported by balancing counter-cyclical demand for campus-based training with the pro-cyclical demand for employer-led training.
- Align the contributions made by learners, trainees and employers to the costs of vocational education.
- Consider the implications across the full range of provision delivered by the NZIT including accounting for programmes that contain components of both diplomas and undergraduate degrees.
- Facilitate pathways for learners through the funding systems.
- Determine how the advice of Regional Leadership and Governance Boards should shape funding allocations within regions and the overall investment in vocational education nationally.
- Account for the capital costs associated with certain types of strategic provision.
- Ensure that Regional Providers have sufficient resources and flexibility to manage their operational needs and small-scale (e.g. between \$1-5m depending on the degree of earned autonomy) capital investments.

We are concerned that the persistence of the current volume-driven funding model with annual cycles of forecasts and washups is inimical to the outcomes that the reforms seek. The high stakes nature of funding recoveries encourages perverse behaviours.

We note that there are a variety of alternative models that could be explored such as capability-based funding or certainty of funding over a multi-year timeframe. We recognise the perception that such approaches might tend to weaken the incentives to maximise the delivery of vocational education. We consider that the potential for this weakening of incentives to be overstated.

Toward a new breed of institute

The new national provider, the NZIT, would exceed the size and capability of all New Zealand's current providers, including wānanga and universities. The new institution would enrol more undergraduate and postgraduate students than most universities and would easily be the largest concentration of vocational training in New Zealand.

Consideration could be given to establishing a new organisational type that could more resemble the 'technological university' model that is used in many jurisdictions overseas. Any such institution would need to be established through legislation to reflect the distinctive character of the entity.

The new entity would comprise 280,000 learners including 33,665 enrolled in undergraduate degrees and postgraduate programmes (2017 figures). The entity would also have unparalleled reach in the national context supporting learning in the workplaces of 25,000 employers, employing at least 10,000 staff and managing \$2 billion in assets across dozens of delivery sites.

The entity would be a significant provider of degree and postgraduate-level education. It would be the second-largest provider of undergraduate teaching programmes in New Zealand and around 50% larger than the next biggest (the University of Otago). It would also bring together a significant grouping of postgraduate students (1,120) which is 30% more than the University of Waikato.

There would be a large number of staff who are actively engaged in research. Based on the results of the 2012 Quality Evaluation of the Performance-based Research Fund, the entity would employ over 300 (FTE) academic staff whose EPs met the standard for a funded Quality Category.

The new entity would be able to leverage an extensive range of existing and new relationships with employers. The capacity of the institution could be leveraged to provide industry with access to a more extensive range of education and training than is currently possible, consolidate our increasingly important national and international partnerships and strengthen efforts to improve engagement with end-users of applied research.

Clearly this new provider will become one of, if not, New Zealand's preeminent tertiary education provider. Enabling this entity to leverage this position to the fullest extent both nationally and internationally should be of critical importance to central government. Regions too will have a vested interest in the success of the new institution.

If a 'technological university' type of entity was conceived it could convey both the strong emphasis on research-led undergraduate and postgraduate teaching, together with a focus on facilitating access and progression within the whole vocational education system.

The name for this institution needs to underline the comprehensive nature of the new system for vocational education including the incorporation of degree-level professional studies, support efforts to promote the parity of esteem for vocational education and transform the recognition of the new institution globally.

Our preferred model

We propose an alternative structural model that sets out how learners, regional providers, the national provider, industry skills (and professional) bodies and Government agencies should interact.

We present an overview of the thinking that has influenced the design of this model, a summary of the key contributions of each factor in this preferred model followed by a diagrammatic view of our preferred model (see *"Figure 5: Structural Model - Regionally Led Delivery"* on page 39 and *"Figure 6: Structural Model - Interfacing with Industry"* on page 40).

Background

This model draws a clearer distinction between the functions that are necessary to enable the local connectedness of Regional Providers and underpin the sense of kaitiakitanga that our regions have. We expand on the concepts of earned autonomy and greater strategic focus that have influenced our thinking.

Central to our view of how best to realise these opportunities is the importance of a strong voice and role for our students and regional communities in shaping our destiny, including through vocational education and training.

A central dilemma in the organisation of public services is the problem of reconciling central accountability with local autonomy. In most cases, public services rely on some degree of delegation from the principal (policy-makers) to agents (organisations that accomplish particular activities on behalf of the principal in return for a reward). The concepts of decentralisation, decision space and earned autonomy have helped us to think about how to cater to the needs of our communities.

'*Decentralisation*' embodies a spectrum of approaches for transferring decision-making authority from the centre to the periphery. Decentralisation is seen as a key way that governments can ensure that decisions are taken by people with the best information about how public services need to be organised.

'*Decision space*' is the amount of authority for making particular decisions that local authorities have been delegated through official policies. The concept of decision space provides a way to think about decentralisation that is more sophisticated than thinking in terms of an either/or choice between central control and local control.

'*Earned autonomy*' is an attempt to reconcile the opposing demands of centralisation and decentralisation. Systems that use earned autonomy have formal mechanisms for varying the degree and scope of the decision space for service providers. The past performance and capability of

service providers informs judgements about how much decision-making authority they have. Better performance is associated with more 'decision space' and vice versa. Such approaches help to overcome the information asymmetries and differences in incentives and priorities between principals and agents (Mannion, Goodard, and Bate, 2007).

Research suggests that where local groups have real power to influence decision-making systems of public services are associated with greater effectiveness, efficiency and quality (Roman, Cleary, and McIntyre, 2017).

Earned autonomy for providers

We recommend that regional providers of vocational education retain their identity, core functions and agility on the basis of 'earned autonomy'.

Why the model presented for consultation is flawed

The proposed model anticipates a 'one-size fits all' approach to leadership and management of vocational education across New Zealand. All existing providers would be combined into a single entity.

This model is not fit for purpose because it does not recognise the existing capacity in the system, the costs of transition could outweigh the benefits and the desirability of focusing the governance and management scope of the new entity on the core problems facing the system.

We think that the implementation of a centralised decision-making model would significantly reduce the capacity of providers to respond in a timely and effective way to the changing needs of the region and its learners.

Many of our most successful and innovative initiatives have emerged from ongoing relationships between the community and EIT staff, many of whom are working on the 'front line'. These types of initiatives would in our view largely cease if they involved a bureaucratic and time-consuming approval process managed by a 'head office'.

Several ITPs have an excellent track record of delivering to the needs of employers and learners in their regions, demonstrate consistent high quality and are financially sustainable with significant reserves.

Significant investments have been made in relationships, branding and organisational capability by the existing network of providers. We acknowledge that not all of these investments are optimally configured. However, the costs of disestablishing and supplanting these may outweigh the benefits of change in many cases.

Additionally, the scale of the challenge involved in establishing, developing and maintaining an organisation that operates on the scale of the proposed NZIT is likely to be daunting. Managing the related complexities will tend to result in poorer outcomes than a more nuanced approach that recognises the range in the existing capabilities in the system.

How the model should work

The new system of vocational education should operate on the basis of earned autonomy (see “Background” on page 31). This principle anticipates that any new national provider organisation will work collaboratively with regional providers to support and facilitate their success.

We anticipate that these central functions are administratively lean. Their functions should be limited to those where there are clear benefits from centralisation that exceed the costs. There should be a meaningful, two-way partnership between the central entity and regional providers based on mutual accountability.

Decisions about the extent to which regional providers earn autonomy will be based on objective analysis of past performance, particularly delivery, financial and educational outcomes.

Some regional providers will continue to operate with a high degree of latitude in terms of their capital and operational budgets, staffing decisions, academic quality and support systems at least in the short to medium term. Others will benefit from more direct oversight by the new entity. This approach will focus the new entity’s resources on the regions with the greatest challenges while retaining the best performing parts of the system.

Regional brand identities will be retained wherever appropriate to ensure continuity in key markets particularly for degree and postgraduate provision and allow domestic and international recruitment and applied research to be directly connected to regional development priorities. Locally-led marketing and recruitment will also allow us to tailor our approaches to the specific needs of local audiences.

Regional leadership of marketing will allow us to maintain specialist expertise, particularly in international recruitment. We have deep local and international market knowledge which allows us to connect international learners to a distinctively regional experience.

Existing regional catchments will be retained. Most existing providers have a reasonably well-developed and common understanding of their regional boundaries. In the case of Hawke’s Bay and Tairāwhiti, these boundaries are clear and stable and do not require adjustment.

Greater strategic focus

We recommend that the new central entity focuses on enabling the success of regional providers.

Why the model presented for consultation is flawed

We acknowledge the importance of bringing greater coherence and coordination to the vocational education with a strong role for a national provider with one key caveat.

The original proposal to establish a national provider has several important strengths. These include greater leadership of the vocational education system and strategic leadership across the system in key areas such as capital investments, efficiency of programme design, consistent and high-quality academic standards, and reduced duplication.

We are concerned that the proposed governance arrangements are not fit for purpose. A National Council appointed by the Minister will struggle to reflect the values, priorities and needs of regional New Zealand and reflect the perspectives of Māori and learners. Regional Leadership Groups without meaningful decision-making powers will undermine our aspiration for guardianship over vocational education in the regions we serve.

The practicalities of a single combined management team managing capital and operational budget, procurement, staffing and support systems for such a large organisation appear daunting, particularly without some degree of devolved local decision-making (see *"Earned autonomy for providers"* on page 32).

The proposed national provider would have an important role to play in facilitating greater regional coverage and connectivity to the vocational education system. However, this aspiration to reduce duplication seems counter to the proposal to disestablish existing providers irrespective of their past performance.

How the model should work

We welcome the proposal to establish a new entity to bring greater coherence to vocational education. The role of this entity needs to be reshaped. We propose that the national provider operates through regionally-located central offices.

These central offices should provide strategic leadership to a network of regional providers focusing on setting the direction of the system, delegated academic decision spaces, capital asset management, and performance development.

Locating these offices in regional centres will help to maintain subject-matter expertise closer to the delivery of education and training while still allowing the benefits of connection to a wider provider network.

The NZIT would be responsible for agreeing on the overall priorities for the vocational education system guided by the plans of the new Regional Leadership and Governance Boards and in consultation with Government, ISBs and regional centres.

The new entity would administer the overall capital asset management system for the network. This function would involve leadership and support for capital project planning, design, contract and regulatory issues. Some aspects of capital asset management would remain the responsibility of Regional Providers (see *“Earned autonomy for providers”* on page 32).

The central offices would have a monitoring function for the progress and quality of provision throughout its network. It would be responsible for maintaining academic standards and integrity. The academic governance functions would include upholding the academic autonomy of the NZIT and the academic freedom of its staff and students.

For some regional centres with mixed past performance, the NZIT central offices will have a greater role in terms of governance and management, delivery decisions, capital asset management and marketing and recruitment (see *“Earned autonomy for providers”* on page 32). These regional centres will benefit from a higher degree of oversight and coordination.

Key entities in our preferred model

An overview of the functions of the NZIT, the Regional Leadership and Governance Boards and Regional Providers are presented below. Figure 4 depicts these functions and relationships graphically.

New Zealand Institute of Technology

The national provider would manage central offices and shared educational services and a network of independent regional providers through regional leadership and governance boards

Central Offices are centrally delivered services that enable regional providers, set system-wide policy and strategy, coordinate nationwide stakeholder and ISB engagement, drive quality and monitor performance of providers and the system. These offices would lead the harmonisation of systems and process in the short term, and then rationalisation in the longer term

Shared Educational Services are a centrally-managed network of educational services. These services will operate as a “collaboration space” where expertise from the regional provider network is utilised in programme development and delivery and applied research.

Regional Leadership and Governance Boards

Regional Leadership and Governance Boards will set regional strategies for vocational education and govern regional providers.

Regional leadership will be expressed through a singular strategy that promotes the tertiary education and industry needs of their region. This 'Regional Education and Delivery Plan' will set expectations around curriculum, delivery, mix of provision and performance from the regional boards to regional providers. Each plan will be approved by the NZIT and in turn determine funding allocations for delivery and capital.

Provider governance will involve each board overseeing the regional provider operating in their regions.

Regional Providers

Regional providers are independent tertiary education institutions that offer a range of foundation, vocational and professional education and training tailored to the needs of regions.

Each provider is governed by a regional board which is in turn accountable to the NZIT to deliver on their regional education and delivery plan. High-performing providers can retain/earn a high degree of decision-making power through an 'earned autonomy' model.

These regional providers would be Crown entities operating as subsidiaries of the NZIT.

Additional detail

Our response to selected consultation questions is attached as "*Appendix one – Response to selected consultation questions*" on page 43

Proposed RoVE Models

Key Indicator:



Figure 4: Structural model - Key indicator

Proposed RoVE MODEL

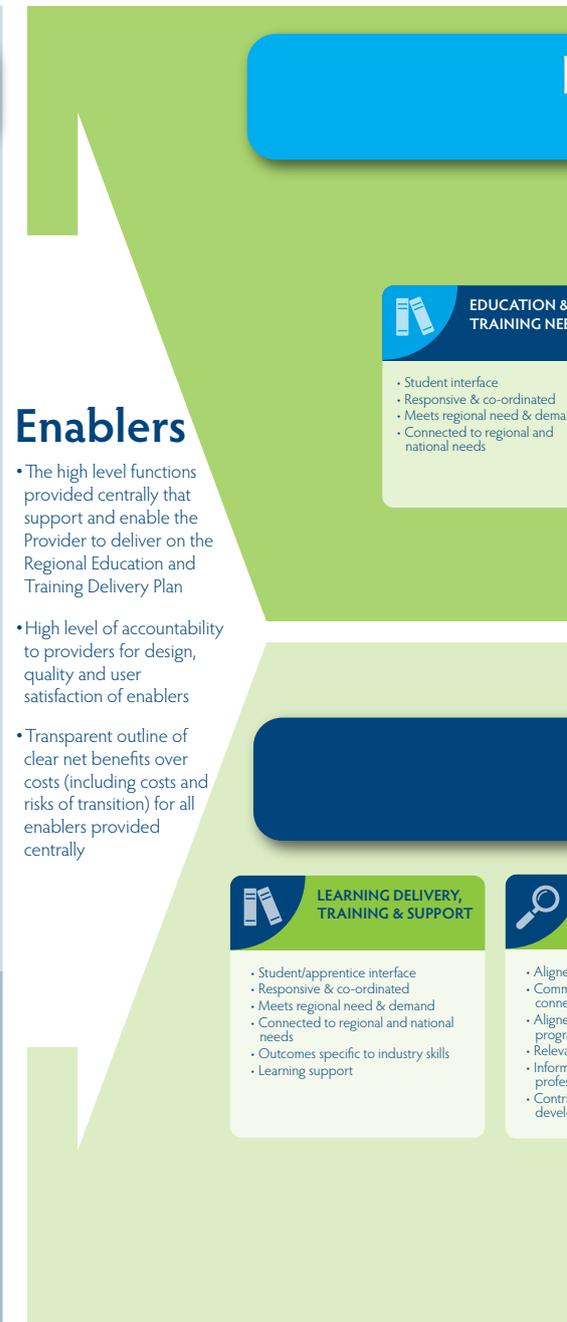


Figure 5: Structural Model

Regional Leadership & Governance Board

Leading and governing tertiary education in their region

- ✓ Iwi
- ✓ Community
- ✓ Students
- ✓ Provider
- ✓ NZIT
- ✓ Staff
- ✓ Industry

Regional Leadership



PROMOTION, ADVOCACY & CONNECTIONS

- Ensure regional need is met/funded
- Promote regional strategy regionally and nationally
- Ensuring that business development and programme delivery is relevant for the region



REGIONAL EXCELLENCE

- Promoting regional needs
- Positioning region as sector leaders
- Enabling regional strategies
- Building regional capability and excellence
- Development of regional IP
- Enabling sustainable futures

Provider Governance



ACCOUNTABILITY & PRODUCTIVITY

- Financial oversight
- Audit
- Financially responsible strategy



OPERATIONS

- Budgetary Control
- Delivery Oversight

Regional Education & Training Delivery Plan

Iwi • Industry • Community • Students • Region • NZIT

Regional Provider (s)

Real life. Real learning. Real world.

- ✓ Separate entities supported by the NZIT
- ✓ Funded to deliver the Regional Education Delivery Plan

APPLIED RESEARCH & INNOVATION

ed to regional strategy
community and global
ectedness
ed to Cove network and
amme portfolio
ant to region
s practice in industry and the
issions (inc ISB)
tributes to Maori knowledge and
opment



CENTRES OF EXCELLENCE

- Promoting regional strength
- National leadership and innovation within targeted sectors
- Connectors to learner pathways
- Critical mass of expertise
- Excellence research and innovation
- Either location specific or hub for virtual network



MARKETING & REGIONAL PARTNERSHIPS

- Regional campaign strategy
- Online, mass media, social media
- Local identity & reputation management
- Iwi, community & stakeholder relationships
- Regional business development
- Secondary/Tertiary pathways
- Advisory committees
- Graduation & Alumni



CAMPUS SPECIFIC FUNCTIONS

- Student accommodation
- Timetable & physical resources
- Local capital project management
- Maintenance, security & building systems
- Front of house & help desk functions
- Trusts and guardianship of assets
- Subsidiaries and associates



DELIVERY OPERATIONS

- Enrolment Management
- Regional campus/delivery site management
- Operational budgeting
- Recruitment and HR delivery
- Onsite system support
- Library & student services
- Management against funding and Regional Education and Training Delivery Plan
- H&S and wellbeing delivery



INTERNATIONAL

- Regional strategy & marketing comms
- Recruitment & partnerships
- Student support & mobility
- Relationship management

Outcomes

ners who take responsibility for their own learning;
mmunicators, networkers and team workers;
cipants in and contributors to Aotearoa/New Zealand society;
tudying, working and living in an international context; and,
renticeship training that meets the needs of employers, trainees and industry.

Outcomes

High quality, relevant and accessible tertiary education for the wellbeing of our students, whānau and communities.

- Regionally Led Delivery

Connecting Industry and Industry Skills

The interface between ISBs and NZIT and providers



Figure 6: Structural Model

Regional Bodies (ISB) with the Proposed Model



- Interfacing with Industry

Appendix one – Response to selected consultation questions

Proposal 1: Redefined roles for industry bodies and education providers

Do you agree that the creation of ISBs would be a positive step in ensuring the vocational education delivers to the needs of industry? What do you think these bodies should be called – is “ISBs” the right name?

We welcome the proposal to establish ISBs.

We consider that there may be merit in naming these bodies, Industry Skills and Professional Bodies. This change would signal that professional organisations such as the Teachers Council, the Nursing Council and Engineering New Zealand have a role in the reformed system.

What do you think about the new roles proposed for industry, employers and education providers? How might they benefit employers and learners? What will the risks be? What is needed to help them work well?

We are broadly supportive of the proposed structural model noting the caveats and matters for further consideration outlined in *“Our view of the reforms”* on page 23.

We support the proposal to give industry and employers a stronger voice through the ISBs through skills leadership, standard setting, programme approval, moderation, support for programmes and advice and guidance to the TEC on investment priorities.

We also welcome the newly clarified roles for education providers.

The new system will ensure more effective voices for industry and employers and strengthen the role of education providers through:

- Skills leadership that involves an interplay between the Regional Leadership and Governance Boards to synthesize a view of skill needs across regions and nationally.
- Collaboration between ISBs and the NZIT/Central Offices on standard setting and programme approval with careful regard given to their feasibility (taking into account the available funding, cost of delivery and the graduate outcomes that are sought).

- Involvement in the definition of capstone assessments to demonstrate relevance to industry provided there is a strong connection to preceding and future study and integration within the delivery of training (whether workplace-based or campus-based) to avoid potential risks for learners and dysfunctional relationships such as those that gave rise to the Armstrong review.
- Some form of national oversight of ISBs perhaps through a national council with appropriate reporting to the TEC.
- An advisory function for ISBs relating to the setting of investment priorities directed to the TEC but mediated to a very significant degree by regional investment plans.
- Provision for a degree of fluidity between the staffing of the Regional Providers and ISBs given their complementary expertise. This transfer of expertise will be important in ensuring that expertise in the design of workplace-based and campus-based education and training is widely distributed across the system. Care will need to be taken that the residual capacity required by Regional Providers to develop, design and assure the quality of foundation, degree and postgraduate programmes is retained.
- Arrangements to collect fees from employers at the point of trainee enrolment on a per head basis to offset the costs of ISBs.

The Government wants to help more employers get involved in the vocational education system. Do you think the proposed changes would achieve that? Why or why not?

We think that the proposed reforms have potential to get more employers involved in the vocational education system. The market share of existing ITOs appears to be around 10% of the nation's businesses which indicates that there is considerable scope to grow participation by industry. However, recognising the significant work that it takes to engage with invariably small businesses, there would need to be incentives for this engagement to occur.

The proposed consolidation of workplace-based and campus-based vocational education will make it easier for learners and trainees to move between these modes of delivery and give employers access to a wider range of relevant, high-quality provision provided the funding system allows for this.

To make the proposals for new roles for industry bodies and providers work well, what changes would be needed at education providers? What in turn would be needed to ensure those changes happen?

We have outlined the key characteristics of the system including as they relate to education providers above.

Do employers need access to impartial advice on their training options, and help making the right connections with education providers? If so, how should this service be provided?

The reforms anticipate a skills brokerage role with little detail about which entities should undertake this function. We do not have a strong view about the location of this function; however strong links to the Regional Leadership and Governance Boards, ISBs, regional skills and employment hubs will be important.

Proposal 2: Proposals for the New Zealand Institute of Skills and Technology

Do you agree with the Government's proposal to introduce a single New Zealand Institute of Skills and Technology? What do you think the institution should be called - is the New Zealand Institute of Skills and Technology the right name?

We recommend that the new entity is called the 'New Zealand Institute of Technology' or NZIT. A new organisational type should be established through legislation to reflect the distinctive character of the new entity (see "*Toward a new breed of institute*" on page 29).

We note that no attempt has been made to consider a name for the institution that reflects the partnership between the Crown and Māori. In EIT's experience making this commitment enriched the organisations identity, and further integrated itself into the cultural fabric of the regions we serve.

We note that there is a PTE that uses the acronym 'NZIST' which may introduce confusion in the marketplace, particularly among international students.

What should Government, the ITP sector and its stakeholders keep in mind if we were to design and implement a New Zealand Institute of Skills and Technology for all New Zealand?

Strong and extensive transition planning is an essential element of the proposed changes. The principles that were employed during the merger of EIT and Tairāwhiti Polytechnic were fundamental to the success of the merger, and now have a high level of relevance as we consider our response to the RoVE. These principles are:

- focus on **student success** in **quality educational** provision
- **genuine partnership** with open and transparent processes
- respect **histories**, acknowledge strengths and weaknesses
- build shared **vision**, organisational **values** and **cultures**
- strong **local identity**, but an **integrated institution**

- effective **decision making** and **influence** at **local** level
- effective **decision making** across **institution**
- effective **pooling of resources**
- focus on **people**
- be prepared to **make hard** decisions
- be prepared to **accept change**
- effective open **communication**

What purposes and functions could be included in the charter of a New Zealand Institute of Skills and Technology?

The content of the charter of the new system's head office needs to be the subject to detailed design as part of the planning for the transition.

Fundamental to the charter would be setting the purpose and functions of the NZIT with regards obligations to ensure it responds well to the needs of iwi and hapu, and to our region in general. It should be student-centric and clear on its academic functions and fiduciary responsibilities. The Charter will guide the earned autonomy decision making.

How could we best ensure that a New Zealand Institute of Skills and Technology would deliver to the needs of New Zealand's regions?

We have outlined our preferred model for the way the new head office interacts with New Zealand's regions in the main body of our response.

What kind of Regional Leadership Group structure might work best, and what other functions could these groups fulfil? What should the term for these regional groups be?

We have outlined our preferred model for the way the new systems head office interacts with New Zealand's regions in the main body of our response. This response includes the key functions of these groups reconceived as Regional Leadership and Governance Boards.

Regional Leadership and Governance Boards would appoint the chief executives of Regional Providers, develop regional investment plans, provide oversight of providers and act as a strong representative voice in engagement with the national provider and government.

These groups would be supported by a regional secretariat that supports them to maintain connectedness through to regions, Regional Providers and the systems head office.

Do you believe that Regional Leadership Groups will be able to actively and representatively consider iwi and Māori interests? If not, what other vehicle or means of understanding Māori skills needs could be considered?

The proposed reforms do not take enough account of the perspectives of Māori. It is essential that the new system is infused with the perspectives of Māori. Some key steps that should be taken to redress this gap include:

- setting the Treaty of Waitangi as the foundation for engagement with the reform and transition process.
- ensuring that the perspectives of Māori are reflected in the governance of the new systems head office organisation.
- ensuring that the Regional Leadership and Governance Boards have good representation of Māori perspectives encompassing the views of the multiple smaller iwi in each area so that they can influence and tailor regional provision.
- placing learners and whanau at the centre of the vocational education including ensuring that programme design and funding is consistent with the necessary long-term outcomes.

Thinking about “Regional Leadership Groups”, is this the right name for these proposed new bodies?

We do not agree that 'Regional Leadership Group' is a suitable name. The term leadership suggests that these groups have no direct decision-making power or authority.

We consider that 'Regional Leadership and Governance Board' is a more suitable name. This name reflects the role of these groups in ensuring that vocational education provision meets the needs of regions.

We see Regional Leadership and Governance Boards guiding the management of delivery by Regional Providers. The roles of the two groups are set out in the main body of our response.

There is a clear need for the Regional Leadership and Governance Boards to be integrated with the secondary school system given the undue emphasis on tertiary education other than vocational education. Some mechanisms are needed to strengthen the secondary-tertiary interface and provide better connections to employment outcomes. We suggest that annual summits at a regional level between the Regional Leadership and Governance Boards and the new regional coordination for secondary schools would be a useful approach.

What are your thoughts on Centres of Vocational Excellence? How should their roles be defined and how should they work with ISBs and providers? What should their relationship with Regional Leadership Groups be?

We welcome the proposed Centres of Vocational Excellence. The proposed model anticipates that ISBs would work with Centres of Vocational Excellence to support high-quality programmes, core curricula and teaching and learning resources. In designing this aspect of the system, we need to see:

- these centres well-integrated into the strategic planning of Regional Leadership and Governance Boards.
- the potential for collaboration between ISBs and the Centres of Vocational Excellence fully explored to avoid duplication of effort. There is potential for the Centres of Vocational Excellence to provide a large part of the ISB role. We see the potential for ISBs to operate in a virtual sense drawing on expertise from the centres.
- a process for the selection of these centres that is based on evidence of national and international expertise, research-informed approaches and an ability to demonstrate pathways across the full spectrum of foundation, vocational, professional and applied research.
- the costs associated with Centres of Vocational Excellence to be funded through mechanisms other than the current volume-based system.

Proposal 3: A unified vocational education funding system

Do you agree that a unified funding system for vocational education, encompassing both provider-based and work-based learning, will help to improve our overall vocational education system?

We welcome the proposals to develop a unified funding system for vocational education. We are concerned to see:

- development of a regional investment plan by the Regional Leadership and Governance Boards that guide the plans for delivery of Regional Providers and is aggregated up into a national investment plan to guide the overall priorities of the NZIT head office.
- greater emphasis on up-front investment, and more focus placed on improving provision in hard to reach areas and for learners who could be better supported by the vocational education system including specific funding for this kind of provision.
- that public funding involves the funding of these strategies rather than strict adherence to mixes of provision type and volume.

- retention of control by Regional Providers over income from non-public sources, for example, international marketing, full-cost recovery provision and other services.
- a more sophisticated view of funding so that, for example, the capital costs associated with some types of provision are taken account of on a case by case basis and the impacts of not reaching delivery targets are smoothed.
- efforts to ensure that perverse incentives relating to 'hard to reach' individuals, communities and employers are avoided or minimised.
- funding for the NZIT central offices is provided separately from the funding for regional strategies.



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