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FLOORING NZ STAKEHOLDER UPDATE

STAKEHOLDER UPDATE - ROVE

Seven key changes

The Reform of Vocational Education includes seven key changes that will create a unified vocational education system:

1. Create **Workforce Development Councils**: Around four to six industry-governed bodies, to give industry greater leadership across vocational education.
2. Establish **Regional Skills Leadership Groups**: These would provide advice about the skills needs of their regions to the Tertiary Education Commission (TEC), workforce development councils, and local vocational education providers.
3. Establish **Te Taumata Aronui**: A group to help ensure that the Reform of Vocational Education reflects the Government's commitment to Māori Crown partnerships.
4. Create a **New Zealand Institute of Skills & Technology**: A unified, sustainable, public network of regionally accessible vocational education, bringing together the existing 16 ITPs.
5. **Shift the role of supporting workplace learning from ITOs to providers**: The new Institute and other providers would support workplace-based, on-the-job training as well as delivering education and training in provider-based, off-the-job settings, to achieve seamless integration between the settings and to be well connected with the needs of industry.
6. Establish **Centres of Vocational Excellence**: CoVEs will bring together the Institute, other providers, workforce development councils, industry experts, and leading researchers to grow excellent vocational education provision and share high-quality curriculum and programme design across the system.
7. **Unify the vocational education funding system**: A unified funding system will apply to all provider-based and work-integrated education at certificate and diploma qualification levels 3 to 7 (excluding degree study) and all industry training.

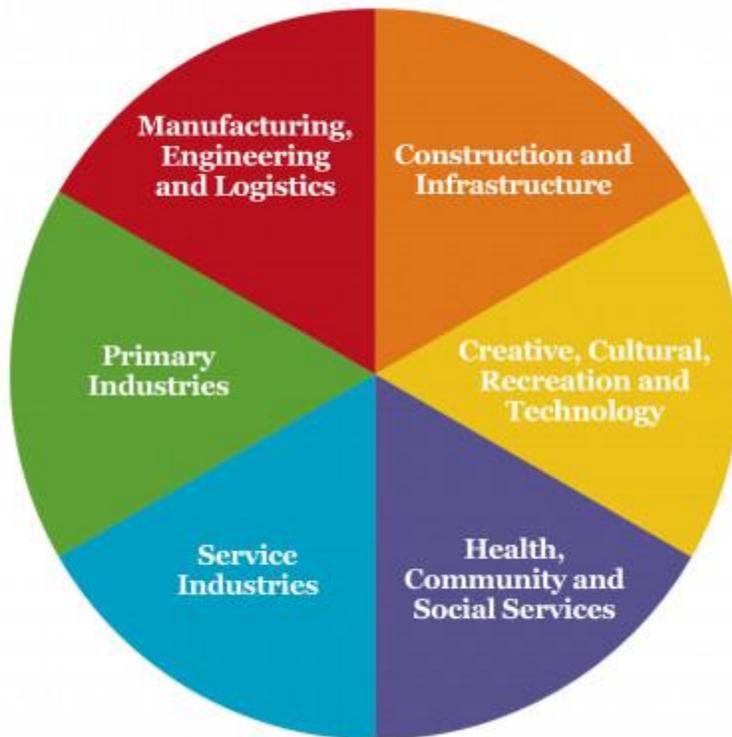
Workforce Development Councils

On Thursday 14 May 2020, the Government announced a [significant trades training package](#). As part of this, the formation of all six Workforce Development Councils (WDCs) will be fast-tracked for establishment by a target date of the end of 2020. This is ahead of the original target of mid-2021, to help support New Zealand's COVID-19 recovery.

The six interim Establishment Boards (iEBs) responsible for the formation of all six WDCs were announced on Thursday 25 June 2020.

With some amendments, the industry coverage for WDCs is primarily based on the Vocational Pathways and represents broad groupings of industry. Vocational Pathways link the assessment standards at levels 1 to 3 on the New Zealand Qualifications Framework to six industry sectors and show how NCEA learning and achievement is valued by employers.

The Six Workforce Development Councils and their coverage



The decision around final coverage areas will be made by TEC and confirmed through Orders in Council (OICs). Each WDC's industry coverage will be described down to Level 4 of the [Australian and New Zealand Standard Industrial Classification \(ANZSIC\) 2006](#) in the OICs. An OIC is needed to establish the WDC as a legal entity. The OIC covers some very high-level elements of the WDC, such as name, coverage and governance arrangements.

The establishment of WDCs is enabled by the passing of the Education (Vocational Education and Training Reform) Amendment Act on 1 April 2020.

ITO Transitions

Industry training organisations (ITOs) are currently responsible for arranging training for people in the workplace and for setting standards.

As part of the Reform of Vocational Education, providers will support work-based learning and [Workforce Development Councils](#) will set standards.

Centre of Vocational Excellence (COVES)

Centres of Vocational Excellence (CoVEs) will play a significant role in driving innovation and excellence in vocational education, by strengthening links with industry and communities. The first two CoVEs are a [Construction CoVE](#) and a [Primary Sector CoVE](#).

In September 2020 the Education Minister announced details of the two successful groups confirmed to establish the first two CoVEs. Find out more about the [Construction CoVE](#) and the [Primary Sector CoVE](#).

What is a Centre of Vocational Excellence?

Each CoVE will operate as part of the vocational education system, working closely with Workforce Development Councils, Regional Skills Leadership Groups, and the New Zealand Institute of Skills and Technology.

The first two CoVEs will be a Construction CoVE and a Primary Sector CoVE, but the scope and coverage of future CoVEs could be defined by industry, occupation, or by type of delivery, for example: kaupapa Māori, online learning, or foundation education.

The exciting thing about CoVEs is that the specific functions and activity of each CoVE will be generated by the applicants rather than tightly specified by the government. TEC will make sure that each CoVE is a genuine centre of excellence, bringing together the right people to identify opportunities, solve problems, and drive innovation.

CoVEs must:

Support the growth of excellent vocational education with a focus on teaching, learning and research

Support the development and sharing of high-quality curriculum and programme design

Be a consortium with expert representation from industry, the wider sector, and a range of other areas, for example iwi and vocational education representatives

Have a national focus

Be hosted by a regional campus of the NZIST or a wānanga

Address issues and opportunities with a significant strategic impact, ideally with wide-reaching benefits across the sector

Solve real problems and grasp viable opportunities

CoVEs may:

(These are examples only)

Provide training support for employers to improve their skills-building ability

Share applied research with providers and industry to improve knowledge exchange

Improve pathways through vocational education including from school

Provide learning technologies across the network to minimise cost and duplication

Provide advice to providers and employers on best practice pastoral care to support learners

Devise and implement other innovative solutions and opportunities as determined by the CoVE consortium

CoVEs won't:

Assess workforce needs	WDCs will do this
Develop qualifications	
Design or endorse programmes	
Set and moderate assessments	NZIST or PTEs will do this
Facilitate workplace training	
Deliver directly to learners	

How was the successful candidate chosen for each CoVE?

The selection process was a two-stage contestable process that included:

A Registration of Interest (RoI) process open to any applicants

A Request for Proposal (RfP) process restricted to shortlisted applicants.

Successful RoI applicants were invited to submit a Request for Proposal to provide further details around their proposal.

An independent panel of industry experts evaluated submissions at each stage and put forward a recommendation to the TEC Board.

The process was overseen by an independent probity auditor from Audit New Zealand.

Regional Skills Leadership Groups

Fifteen Regional Skills Leadership Groups announced

In June 2020, the Government announced the establishment of 15 independent Regional Skills Leadership Groups. Ten of these are to be launched immediately and the remaining five to be launched thereafter. The Groups will provide advice about the skills needs of the regions to the Tertiary Education Commission (TEC), [Workforce Development Councils \(WDCs\)](#), and local vocational education providers. They will better manage the changing skills and workforce needs in our regions and cities and support the recovery of labour markets.

The Groups will work closely with local and national initiatives, including the six WDCs. The WDCs will focus on industry specific training needs across all of New Zealand while the Regional Skills Leadership Groups will offer a regional perspective on skills and labour market needs.

The Regional Skills Leadership Groups feature regional industry leaders, economic development agencies, iwi, and worker and government representatives, who will contribute their knowledge and local expertise. They will be supported by a team of data analysts, policy advisors and workforce specialists.

For their first year, the Groups will be set up on an interim, one-year basis with a swift appointment process, and a mandate to gather local intelligence that supports the COVID-19 response.

Engagement on Regional Skills Leadership Groups and what we heard

From September 2020, a team from the Ministry of Business Innovation and Employment (MBIE) met with people across the country, to help shape what Regional Skills Leadership Groups would look like and how they would operate.

Many participants agreed with some of the key features of the Group proposal, in particular:

Regional Skills Leadership Groups would build on successful existing regional labour market planning and not duplicate. This meant that where groups existed and met Cabinet's criteria, we would endeavour to recognise those groups as Regional Skills Leadership Groups.

Regional Skills Leadership Groups would be led by the regions, for the regions, and would be expected to be primarily made up of community and regional employers, along with iwi/Māori. Central Government's role is to provide support and ongoing resourcing.

Common themes

There were some common themes raised across the regions:

Getting the right mix:

Making sure each Group accurately represents stakeholders across geographic, sector, and demographic groups will be challenging, particularly as some groups are not already well represented in regional conversations.

In light of this valuable feedback, we considered:

Establishing sub-groups or forums to sit under the Regional Skills Leadership Groups, which would help the Groups have input from a more diverse range of voices without having to have all parties represented within the Group. These could be reference groups on a particular issue or sub-groups for particular geographic areas with unique challenges, strengths and opportunities.

Having minimum consultation requirements in place so RSLGs actively engage with a diverse range of groups when developing their Regional Workforce Plans.

Ensuring iwi have a voice on Regional Skills Leadership Groups.

Requiring Regional Skills Leadership Groups to consider particular sub-regions. The Terms of Reference and appointment letters for the Groups could set out what the groups need to consider for their Workforce Development Plan.

Avoiding duplication:

The role and functions of Regional Skills Leadership Groups need to be defined, and it is important to be clear how the Regional Skills Leadership Group will work with other existing regional groups and activities.

Resourcing:

Creating a meaningful Regional Workforce Plan is a huge task and will need participation and contribution from a diverse range of a region's labour market participants. Important and busy stakeholders may not have capacity to engage due to their existing commitments.

To help address this issue, you told us that Regional Skills Leadership Groups will need to be resourced sufficiently.

New Zealand Institute of Skills and Technology

The New Zealand Institute of Skills and Technology stood up on 1 April 2020. It is one of the seven key changes announced on 1 August 2019 and is a new kind of organisation providing work-based, on campus, and online vocational learning and training right across the country.

NZIST brings together the existing 16 Institutes of Technology and Polytechnics (ITPs) into one organisation, and over time, will develop the capability to support work-based, campus-based and online learning as a unified system.

NZIST will have the national and regional reach required to become a long-term skills training partner for firms and industries. Learners will be able to shift easily between on campus, on-the-job, or online learning – or a combination of all three that works for their needs. And if circumstances change, the training can adapt seamlessly.

NZIST has [15 ITP subsidiary boards](#) and [one national Council](#). Decisions are still to be made about the name and location of the NZIST while the focus remains on uniting to eliminate Covid-19.

Unified Funding System

A unified funding system (UFS) will apply to all provider-based and work-integrated education at certificate and diploma qualification levels 3 to 7 (excluding degree study) and all industry training.

As part of the Reform of Vocational Education we will combine two parts of the current funding system to create a new unified funding system that:

Rewards and encourages the delivery of high-quality education and training which meets the needs of learners, communities, and employers.

Supports access to work-based education and training and encourage the growth of work-integrated delivery models.

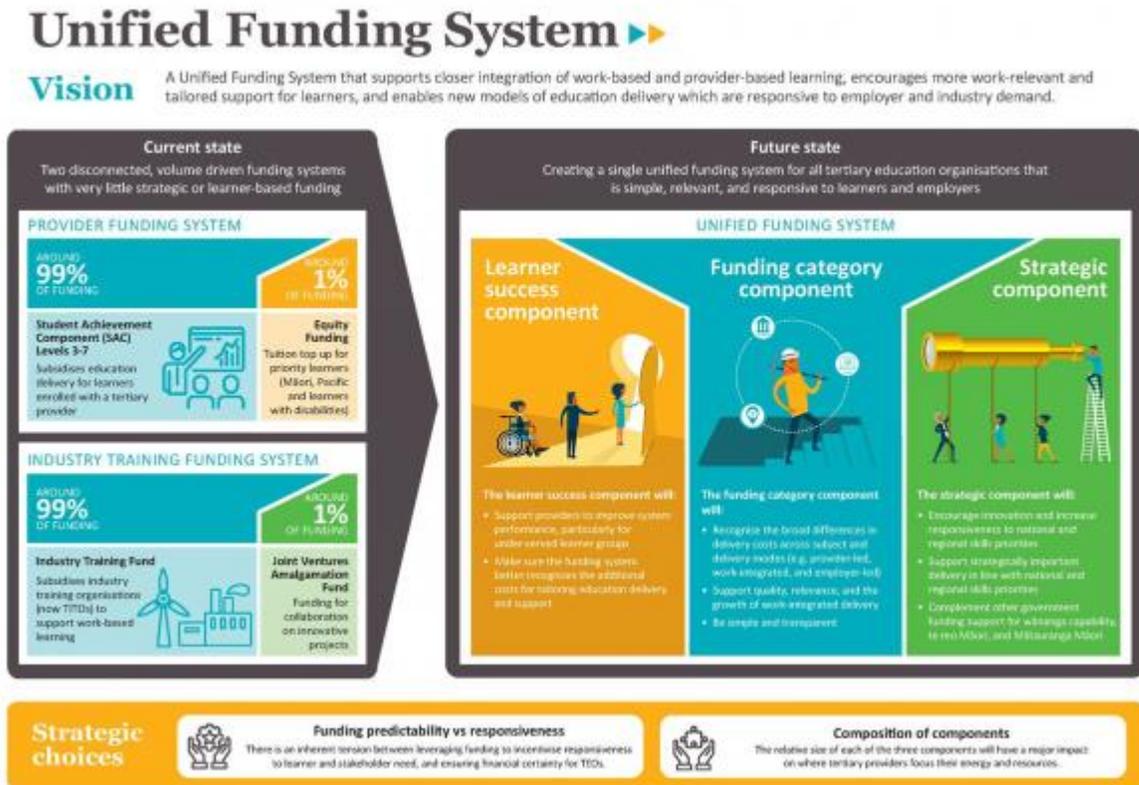
Supplies strategically important delivery to meet national priorities, address regional labour-market demand, and be highly responsive to employer skill needs.

Allocates funding through simple and transparent funding mechanisms which ensure provider accountability and provide for greater stability as a platform to invest in innovation and growth.

The scope of the project covers all Student Achievement Component and Industry Training funded learning at certificate and diploma levels 3-7 (excluding degree study) regardless of the setting in which this learning takes place. This includes learning delivered and arranged by the New Zealand Institute of Skills and Technology, wānanga, private training establishments and universities.

How the new system will look

There will be three funding components in the new system. The components are designed to work together so tertiary education organisations (TEOs) can deliver education and support work-integrated learning which is responsive to regional and national skills needs, supports learners and employers in ways that best meets their needs, and drives new and innovative ways of delivering learning.



The new system will need to be flexible and adaptable. We are developing something with fundamental differences to the current system (especially in relation to learner success and work-integrated learning), and we will need to be open to adjusting the UFS as we learn about the effects of the new system on achieving our outcomes.

The three components

Funding Category Component:

The funding category component will support volume-based education delivery and support for work-integrated learning in a new way. It will consider not only the subject of the delivery, but also how it is delivered.

This component aims to support shifts in delivery so that more learners have opportunities to be exposed to the workplace, including opportunities to earn while they learn. This shift will also ensure that both learners and employers are supported through the vocational education system regardless of the setting they are in.

Learners will be supported to train both in educational settings and the workplace. There will be different rates to reflect the setting they are in and the kinds of support they receive, and single learner could be funded from more than one mode. For example, an apprentice receiving some

support from a tutor would be funded through a combination of provider-led and one of the work-integrated modes.

The Minister has agreed to further development of four modes of delivery. These are:

Provider-led – A learner completes a course without any formal on-the-job learning. The provider undertakes all teaching and learning and is responsible for all learning support and pastoral care.

Work integrated for learners brokered into employment: The provider brokers learners into paid employment in the relevant field of study with a training agreement. Learners are taught in the workplace for this part of their study, and the provider is responsible for making sure each learner and employer is appropriately supported.

Work integrated for learners who are employed: Learners are taught in the workplace for this part of their study, and the provider is responsible for making sure each learner and employer is appropriately supported.

Employer-led: An employer creates or commissions and delivers an in-house training course for employees. Providers support employers to match training to NZQF standards, and also have oversight of assessment.

We have completed the work to understand the components that comprise vocational education delivery, and how these could be sensibly grouped to describe coherent modes of delivery. The next step for the project team is to engage with sector experts to develop the operational definitions (what the system looks like in practice) and relative costs of each of these modes.

Learner Success Component:

A new learner success funding approach will recognise the significant requirements on TEOs to understand and respond to the range of learner needs, to work with their communities, iwi and employers, and to incentivise improved system performance for traditionally underserved learners.

Proposing to increase the proportion of funding that is used to encourage organisational shifts for learner success.

Approval of funding will be linked to an agreed plan (such as learner success plans and disability action plans). This is intended to minimise compliance, recognise, and reward progress, and provide improved monitoring and accountability.

Learner success plans are part of the learner success framework – an approach using leadership, systems and processes, pathways, and data and technology to improving outcomes for all learners.

We will be testing and refining this approach with the sector, including connecting with underserved learner representatives, and determining how best to ensure tailored learning for disabled learners and people with additional learning support needs.

Strategic Component:

A new flexible funding approach for strategically important delivery to support national and regional priorities, increase responsiveness to regional labour-market demand, and address the issues associated with geographic isolation.

We are proposing this component would incorporate two main elements:

TEOs would apply for time-limited funding to trial new approaches, learn what works and share best practice. Proposals could come from individual TEOs, partnerships between TEOs, or

collaborations between TEOs and third parties, such as industry, employers, or iwi. This funding would be for the lifecycle of the specific project.

Funding to create a sustainable network of vocational education. It is likely this will be allocated on a longer-term basis than the funding for new approaches.

We will be testing and refining this approach with the sector, and we need to do more operational design to determine how this will work in practice.

New Zealand Qualifications Authority (NZQA) and ROVE

NZQA's role in the Reform of Vocational Education (RoVE) is to make sure that while this future world comes to life, learners continue to be confident in the quality of their education – whether learning in a classroom, a workplace or online – and gain qualifications which are credible, robust and recognised both locally and internationally.

The work falls into three areas:

Developing new operational policy to achieve the intent of RoVE.

Managing the transfer of approvals, accreditations, and consents.

Determining appropriate quality assurance systems and measures for the New Zealand Institute of Skills and Technology (NZIST) and Workforce Development Councils (WDCs) during the transition and in the longer term.

NZQA has been working to develop the operational policy that will underpin the design of education products (e.g. qualifications, programmes) and how they would best fit together to meet the intent of RoVE. As part of this work, NZQA ran two workshops in December and February with a range of sector representatives to seek ideas and test our thinking.

NZQA is also working to update the Rules to reflect the changes in legal status of existing Industry Training Providers (ITPs) and Industry Training Organisations (ITOs) and the functions of the new organisations scheduled to come into effect 1 April 2020.

Considerable work has been done with the Tertiary Education Commission, Ministry of Education, and ITOs to ensure the transition to the new system is as smooth as possible. The aim is to ensure that all learners, including trainees, will be able to continue and complete their training as appropriate.

With regards to quality assurance, while ITPs are transitioning into subsidiaries of the NZIST, NZQA is taking a pragmatic and risk-based approach to undertaking External Evaluation and Reviews (EERs). To ensure the continued confidence of learners, whānau and other stakeholders it is important that relevant quality assurance activity continues. However, this approach reflects that during the transition a standard EER may not always be necessary. NZQA will conduct a standard EER for ITPs who are currently Category 3. All other ITPs due for EER in 2020 will participate in a targeted EER.

Meanwhile, designing an appropriate long-term quality assurance approach for RoVE is likely to take time. The merger of the 16 ITPs into a single national delivery agency presents unique, complicated challenges. However, despite being challenging, having a quality assurance system in place that continues to maintain confidence in the education system and upholds the credibility and quality of qualifications is an integral part of the future success of RoVE.

The future world of RoVE is not far away, and NZQA is working to ensure New Zealand's tertiary qualifications will continue to have the same high reputation trusted by employers and learners in New Zealand and around the world.

Regards

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