



NEW ZEALAND COUNCIL OF TRADE UNIONS

*Te Kauae Kaimahi*

**Submission of the  
New Zealand Council of Trade Unions  
Te Kauae Kaimahi**

to the

**Education and Workforce Committee**

on the

**Education (Vocational Education and Training Reform)  
Amendment Bill**

**P O Box 6645**

**Wellington**

**9 October 2019**

---

## Table of Contents

1. Introduction .....	4
2. Learning for Life .....	4
3. Social Partnership.....	5
4. Approach to Vocational Education.....	6
5. Establishment of Workforce Development Councils.....	7
6. Establishment of the New Zealand Institute of Skills and Technology .....	9
7. Funding of Vocational Education .....	10
8. Transition arrangements .....	10
9. Conclusion .....	11

## **Summary of main recommendations**

1. That Government, unions and employers commit to social partnership for lifelong learning and that the functions of Workforce Development Councils include promotion of this social partnership in their respective industries.
2. That, to ensure the collective representation of workers in their respective industries, WDCs be required to include union representation.
3. That advice on vocational education provided by WDCs should be directly accessible and tailored to the needs of workers, as well as employers, and should be well integrated with the skills leadership and workforce planning roles of WDCs.
4. That the Bill clarify the scope of vocational education and training overseen by WDCs.
5. That WDCs and NZIST collaborate closely with each other in exercising their respective functions.
6. That the Charter and Functions of NZIST include the purpose of conducting research, broadly defined.
7. That governance arrangements for NZIST include adequate representation of staff and students of the institutions. In addition, that the interests of working people as key stakeholders in quality public education be recognised by the restoration of representatives nominated by the Council of Trade Unions, alongside nominees of Business NZ and Iwi.
8. That Government undertake further work, in close consultation with unions and iwi, to support the role of wānanga in vocational education.
9. That Government undertake careful planning of transition arrangements, with full engagement of unions early in the process, to safeguard the interests of employees of the organisations, minimise disruption, maintain and improve conditions of employment, maintain and improve provision of vocational education and training and retain institutional knowledge.
10. That the transitional provisions and consequential amendments in the Bill be reviewed to avoid unintended consequences, including as detailed in this submission.

## **1. Introduction**

- 1.1. This submission is made on behalf of the 27 unions affiliated to the New Zealand Council of Trade Unions Te Kauae Kaimahi (CTU). With 320,000 members, the CTU is one of the largest democratic organisations in New Zealand.
- 1.2. The CTU acknowledges Te Tiriti o Waitangi as the founding document of Aotearoa New Zealand and formally acknowledges this through Te Rūnanga o Ngā Kaimahi Māori o Aotearoa (Te Rūnanga) the Māori arm of Te Kauae Kaimahi (CTU) which represents approximately 60,000 Māori workers.
- 1.3. The CTU supports universal access to lifelong learning for all working people. As we prepare for and shape the future of work, it is essential that working people have access to the education, including in-work training and skill development, they need to respond to new challenges.
- 1.4. In our 2017 briefing to the incoming government, the CTU advised that preparation for the future of work requires three pillars: employment law that promotes collective bargaining, industry policy that supports investment, productivity growth, high value products and high wages, and a capable state including support for workers through change (active labour market policies) and their education and training needs. With regard to vocational education, the CTU called for:
  - Improved state support for apprenticeship and similar schemes
  - Stronger employer responsibilities for workforce training
  - Industry training with both institutional and work-based components
  - Better integration in the delivery of industry training with the off-the-job components delivered at the local ITPs and Wānanga.
- 1.5. The CTU welcomes the intent of the Bill to promote a better integrated system of vocational education with a strengthened leadership role for industry, including working people and their unions.

## **2. Learning for Life**

- 2.1. Learning for Life is a core element of the Government's strategic agenda for the Future of Work, with the support and participation of the CTU and our affiliate unions.

- 2.2. Supporting learning for life will enable New Zealand to lift productivity through innovation and worker engagement; create opportunity with high-wage, high-value jobs; and be resilient through change.
- 2.3. The CTU vision is for every worker to be a lifelong learner, with:
- opportunities to develop skills and advance in their chosen field
  - clearly identified learning goals and a plan for reaching them
  - a voice in shaping how they learn at work
  - clear entitlements and time to learn
  - access to relevant high-quality courses, institutions, and qualifications
  - options to learn “on the job” and to combine training with employment
- 2.4. Some aspects of this vision are within the scope of the Bill and the broader program for reform of vocational education, while other aspects will require complementary work in the areas of Workplace Relations and Employment, to ensure that every worker has clear entitlements, practical access and time to learn at work.

### **3. Social Partnership**

- 3.1. In their 2019 report *Work for a Brighter Future*, the ILO Global Commission on the Future of Work calls for a lifelong learning ‘eco-system’ based on social partnership, with complementary roles for government, employers, unions, and education institutions. As part of this approach, the Global Commission calls for ‘formal recognition of a universal entitlement to lifelong learning and the establishment of an effective lifelong learning system.’
- 3.2. The value of social partnership between government, trade union, and employers is also emphasised in a 2019 report from the OECD, *Getting Skills Right: Making adult learning work in social partnership*, based on a survey of OECD member states. The survey highlighted good practice where social partners jointly define and manage training systems in Austria, Denmark, Germany, Iceland, Italy, and the Netherlands. In other states, making up around half of the OECD, social partners ‘contribute to the definition of the training system’ at a high level. New Zealand ranked in the lower half of the OECD for social partnership in lifelong learning based on current practice,

with the social partners having only 'a consulting role'. The proposals for reform of vocational education represent an opportunity to improve this situation by incorporating recommendations from the OECD and ILO Global Commission to build social partnership.

- 3.3. The CTU recommends that Government, unions and employers commit to social partnership for lifelong learning. As part of this, Government should coordinate with unions and employers as social partners to develop learning plans for each industry, mapped to workforce needs and skill shortages. A possible model for this approach is the process overseen by Singapore's tripartite Future Economy Council, supported by the Ministry of Trade and Industry, to develop Industry Transformation Maps and an associated Skills Framework.<sup>1</sup>

#### **4. Approach to Vocational Education**

- 4.1. The CTU supports the intent of the Bill and the broader program for reform of vocational education, to create a more integrated approach to on-job and off-job training.
- 4.2. New Zealand's current approaches to both on-job and off-job training have strengths that should be maintained and built on in any reforms. There are also weaknesses and challenges to overcome. The greatest weakness in the current system is the separation between on-job and off-job systems of vocational education, reinforced by a competitive funding model that sees ITPs competing with ITOs, as well as with PTEs, wānanga and each other.
- 4.3. One advantage for New Zealand in seeking to implement an integrated system of vocational education is that Tertiary Institutions already take an age-integrated approach. Recent reforms of vocational education in some European states, including in Denmark, have sought to integrate separate systems of Initial (school and post-school) and Continuing ("adult") Vocational Education.<sup>2</sup> In New Zealand, this distinction does not exist in the post-school system. Here the challenge is more around promoting integration between on-job and off-job training.
- 4.4. An integrated approach to vocational education in New Zealand requires us to get the incentives right, in terms of funding, strategy, and relationships, for ITPs and

---

<sup>1</sup> See: <https://www.mti.gov.sg/en/ITMs/Overview> and <https://www.skillsfuture.sg/skills-framework>

<sup>2</sup> European Centre for the Development of Vocational Training (Cedefop). 2016. *Spotlight on VET Denmark* <http://www.cedefop.europa.eu/en/publications-and-resources/publications/8101>

wānanga to be actively involved in workplace learning and complementing rather than competing with the role of industry bodies.

- 4.5. The CTU recommends further work to support the role of wānanga in vocational education, in close consultation with unions and iwi. The focus of this work should be to promote and uphold the role of wānanga in vocational education, as well as to investigate options to build capacity and connections.
- 4.6. There is also a need to improve access to foundation-level Language, Literacy, Numeracy, and Digital Literacy training for all workers. Dedicated programmes should be available to any worker with a self-identified need, including those already enrolled in other training programmes, and including workers on temporary work visas.
- 4.7. As part of building partnership for vocational education and training, the CTU supports increased opportunities for peer advice and learning support, including through workplace Learning Representatives.

## **5. Establishment of Workforce Development Councils**

- 5.1. The CTU supports the intent of the Bill to establish Workforce Development Councils (WDCs) to provide workforce planning and skills leadership across all vocational education, including by setting standards, moderating end of study assessment, contributing to curriculum development, and advising on vocational education and training.
- 5.2. WDCs should have a key role in promoting social partnership for lifelong learning within their respective industries.
- 5.3. To ensure the collective representation of workers in their respective industries, WDCs must include union representation. We support the proposals in the draft legislation at s479(3)(a) for provision needing to be made for the collective representation of employees at governance level. We recommend this is strengthened by reference to unions as the primary organisations representing the collective interests of employees. We further recommend that representation of employees is a feature also at the second tier level (such as sector advisory groups/industry partnership groups) where important practical decisions are made around learning and qualifications.

- 5.4. In approving the establishment of WDCs, the Minister should have regard to the need for the WDCs as a whole to provide comprehensive industry coverage, including emerging industries, and avoiding any gaps or overlap between WDCs.
- 5.5. In exercising their functions, WDCs should collaborate with NZIST. This should include engagement with staff and student representatives that makes use of their expertise and considers their interests in the development of training programs and assessment standards.
- 5.6. WDCs should be involved in defining learning outcomes that can be expected of those completing any programme of vocational education. These should be consistent across providers and modes of delivery, including on-job and off-job training, to promote integration of the system. Learning outcomes should be closely related to the practical requirements of work, so that employers and workers can have confidence in the skills gained from completing a training course.
- 5.7. To carry out their function of advising and brokering access for employers and workers to vocational education and training, WDCs will require a strong regional and mobile presence, with capacity for regular workplace visits in which workers, unions and employers are consulted. This should include collaboration with NZIST to facilitate expansion of access to work-based training.
- 5.8. Advice on vocational education provided by WDCs should be directly accessible and tailored to the needs of workers, as well as employers, and should be well integrated with the skills leadership and workforce planning roles of WDCs.
- 5.9. For regulated trades and professions, development of curricula and assessment will need to involve professional associations and regulatory bodies to ensure that qualifications continue to meet requirements for registration.
- 5.10. The Bill should clarify the scope of vocational education and training overseen by WDCs.
- 5.11. If the scope of vocational education and training is intended to include degree programs, then further work will be needed to ensure an integrated and consistent approach for some professions. For instance, training for nursing professions is currently offered by both ITPs and Universities. However, standards for nursing programmes set by a WDC would only be binding on the NZIST and its subsidiaries. Further consultation with unions and professional associations representing



regulated professions would be needed to consider the best approaches on a case by case basis.

- 5.12. Alternatively, if the scope of vocational education and training is restricted to sub-degree programs above level 3 of the NZQF, as originally proposed in the consultation on Reform of Vocational Education, then the functions of WDCs should include providing advice to TEC on the views, needs and interests of industry in relation to foundation-level programs and relevant degree programs.

## **6. Establishment of the New Zealand Institute of Skills and Technology**

- 6.1. The CTU supports the intent of the Bill to introduce a single New Zealand Institute of Skills and Technology with a strong regional network of provision.
- 6.2. The CTU supports the role of NZIST in carrying out research alongside education and training. We agree that NZIST should have a strong focus on applied research, including in collaboration with Crown Research Institutes and industry, including employees as part of lifelong learning. However, research-active NZIST staff should not be restricted from developing work on theoretical and fundamental topics, including in collaboration with staff at other institutions. We therefore recommend that the word 'applied' be deleted from s222B.
- 6.3. The CTU supports the requirement for the NZIST to work collaboratively with WDCs.
- 6.4. The CTU supports the intent of the Bill to establish a charter for NZIST. The charter should include reference to research as a purpose of NZIST, consistent with the functions of NZIST defined in the Bill.
- 6.5. In carrying out the function of arranging work-based vocational education and training, NZIST will need to engage closely with WDCs and with workers and employers in each industry. This should include arrangements, including systems of accreditation as appropriate, to allow employers to continue "in house" provision and assessment of work-based traineeships.
- 6.6. Governance arrangements for NZIST should include adequate representation of staff and students of the institutions. In addition, the interests of working people as key stakeholders in quality public education should be recognised by the restoration of representatives nominated by the Council of Trade Unions, alongside nominees of Business NZ and Iwi.

- 6.7. In our submission on the Education Amendment Bill 2018, the CTU supported the submission of the Tertiary Education Union calling for staff and student representatives to make up one third of the membership of Tertiary Education Institution Councils. The CTU further called for community stakeholder representation to be restored, with representatives nominated by the Council of Trade Unions, Business NZ, and Iwi. We recommend that the Bill be amended to follow this recommendation in establishing the NZIST Council.

## **7. Funding of Vocational Education**

- 7.1. The CTU supports the effect of the Bill to introduce a unified model of funding for vocational education.
- 7.2. Funding of vocational education should promote equitable access and ease of transition between on-job and off-job forms of training, guided by the needs and preferences of learners. This will require the funding system to avoid perverse incentives, such as education providers being penalised for non-completion when a student leaves a course to take up full-time employment.
- 7.3. Funding arrangements should promote cooperative and complementary relationships between different organisations in the system, including WDCs and NZIST.

## **8. Transition arrangements**

- 8.1. Implementing reform of vocational education will be a major undertaking involving significant disruption to staff in a number of organisations.
- 8.2. The CTU recommends careful planning of transition arrangements, with full engagement early in the process of working people and their unions, staff in ITPs and ITOs, and students, to safeguard the interests of learners and staff, minimise disruption, maintain and improve conditions of employment, maintain and improve provision of vocational education and training and retain institutional knowledge.
- 8.3. The particular requirements of vocational education and training programs for regulated trades and professions, including nursing and midwifery, should also be considered during the transition period. This includes maintaining arrangements, including appropriately qualified and resourced staff, to ensure sufficient hours of work-based learning required for qualification and registration.

- 8.4. Planning for transition should learn from good practice in other examples of major organisational change, such as the amalgamation of Auckland local and regional councils.<sup>3</sup>
- 8.5. As currently drafted, s5(4) of Schedule 4 of the Bill removes all entitlement to compensation on the grounds of positions ceasing to exist as a result of the dissolution of an NZIST subsidiary. We assume this is a drafting error and that this clause is only intended to apply to staff who are offered equivalent employment in NZIST (those identified in s5(1)). We recommend that the words “of an NZIST subsidiary” in s5(4) be replaced by the words “identified in subsection (1)”.
- 8.6. The consequential amendments of the Bill need to be redrafted to cover the period during which transitional ITOs will continue to operate. As drafted, the consequential amendments would strip recognition of ITOs at the commencement date and substitute recognition of WDCs that will not yet exist. This would have the effect of prematurely removing recognition of transitional ITOs and existing qualifications from the:
- Care and Support Workers (Pay Equity) Settlement Act 2017;
  - Plumbers, Gasfitters, and Drainlayers Act 2006;
  - Health and Safety at Work (Mining Operations and Quarrying Operations) Regulations 2016; and
  - Real Estate Agents (Licensing) Regulations 2009.
- 8.7. The Consequential amendment to the Ngāti Tūwharetoa Claims Settlement Act needs to be redrafted to clarify that the Right of First Refusal over the specified land owned by Wairiki Bay of Plenty Polytechnic continues after the dissolution of Wairiki Bay of Plenty Polytechnic Ltd and the transfer of the assets to NZIST.

## **9. Conclusion**

- 9.1. Working people need a strengthened system of vocational education, as well as clear entitlements including time to learn, to ensure universal access to lifelong learning. Every worker should be able to advance in their chosen field, with opportunities for skill development and recognition.

---

<sup>3</sup> See [http://www.ata.govt.nz/web/cms\\_ata.nsf](http://www.ata.govt.nz/web/cms_ata.nsf)

9.2. The CTU supports the Bill as part of a necessary effort to better integrate New Zealand's system of vocational education and training.