



NEW ZEALAND COUNCIL OF TRADE UNIONS
Te Kauae Kaimahi

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

to the

Tertiary Education Commission

on

Reform of Vocational Education

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Wellington

18 March 2019

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Summary of main recommendations

1. 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, with clear entitlements for workers including time to learn.
2. That Regional Skills and Employment Hubs be established, with responsibility for supporting and implementing active employment policies, including high levels of support for workers who lose their jobs, workforce planning and skills development, working closely with unions, employers, and education providers.
3. That Industry Skills Bodies (ISBs) be established, with union representatives on each, responsible for industrial skills leadership and oversight of vocational education, including curriculum and assessment.
4. That a single New Zealand Institute of Skills and Technology be established, with a strong network of regional provision including Centres of Vocational Excellence.
5. That Regional Leadership Groups be established, including union representatives nominated by the CTU, responsible for oversight of regional workforce planning, skills development, and active employment promotion, in addition to advising the New Zealand Institute for Skills and Technology.
6. That any organisation responsible for arranging and advising on vocational education be required to work closely with workers and their unions, with a strong regional and mobile presence, and the capacity and commitment to build strong relationships in workplaces.
7. 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.

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 and diversification, and a capable state including support for active employment policies. 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 proposals to promote a better integrated system of vocational education with a strengthened leadership role for industry, including 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 proposals 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.¹

4. Integration with Employment, Immigration, and Welfare Systems

- 4.1. The CTU supports the Government's intention to promote better integration of education, employment, immigration, and welfare systems as part of an overall strategy to shape and prepare for the future of work.
- 4.2. The CTU supports the establishment of Regional Skills and Employment Hubs, as proposed in MBIE's current consultation on approaches to employer-assisted work visas and regional workforce planning. Regional Skills and Employment Hubs should have responsibility for supporting and implementing active employment policies, including high levels of support for workers who lose their jobs,, workforce planning and skills development, working closely with unions, employers, and education providers.
- 4.3. We recommend that the Regional Leadership Groups, included in the proposals for the New Zealand Institute for Skills and Technology, also have a mandate that includes oversight of workforce planning, skills development, and active employment promotion in the region, in liaison with the Skills and Employment Hubs.
- 4.4. Regional Leadership Groups should include union representatives nominated by the CTU, in addition to representatives of employers, iwi, and local government.

5. Approach to Vocational Education

- 5.1. The CTU supports the intent of the proposals for reform of vocational education to create a more integrated approach to on-job and off-job training.
- 5.2. 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

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

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.

- 5.3. 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.² 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.
- 5.4. 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 wānanga to be actively involved in workplace learning and complementing rather than competing with the role of industry bodies.
- 5.5. 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.
- 5.6. Whichever organisation is given the task of arranging and advising on vocational education will need to engage closely with workers and employers, with the capacity and commitment to build strong relationships in workplaces.
- 5.7. The organisation arranging and advising on vocational education needs to have a strong regional and mobile presence, with capacity for regular workplace visits in which workers, unions and employers are consulted.
- 5.8. Advice on vocational education should be directly accessible and tailored to the needs of workers, as well as employers.
- 5.9. Advice on vocational education should be well integrated with workforce planning and active employment policies.

² 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>

- 5.10. 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.

6. Proposals for role of Industry Skills Bodies

- 6.1. The CTU supports the proposals to establish Industry Skills Bodies (ISBs). Union representation must be required on the boards of ISBs, so that they are able to function as a genuine social partnership for coordinating industry workforce needs, as recommended by the ILO and OECD in the reports discussed above.
- 6.2. The CTU supports the proposals for ISBs to provide workforce planning and skills leadership across all vocational education, including by setting standards, moderating end of study assessment, and contributing to curriculum development.
- 6.3. ISBs 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.
- 6.4. For regulated 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.
- 6.5. 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. Under the current proposals, standards for nursing programmes set by an Industry Skills Body would only be binding on ITPs. However, if ISBs align standards to the requirements for registration and work closely with professional associations such as the NZ Nurses Organisation (NZNO), regulatory bodies such as the Nursing Council, and education providers including Universities, they are more likely to succeed in setting a consistent industry standard. Further consultation with unions and professional associations representing regulated professions will be needed to consider the best approaches on a case by case basis.

- 6.6. The CTU supports the proposal for ISBs to advise the TEC on funding decisions for vocational education.

7. Proposals for New Zealand Institute of Skills and Technology

- 7.1. The CTU supports the proposal to introduce a single New Zealand Institute of Skills and Technology.
- 7.2. For a single institution to meet the needs of all New Zealanders, it is essential that a regional network of provision be maintained and extended. Maintaining and extending a network of regional campuses will be essential to building close relationships with local communities and industry, including workers and their unions.
- 7.3. The CTU supports the proposal to establish Regional Leadership Groups to advise the Institute on local skill needs and on programme development and delivery. As noted above, we recommend that these Regional Leadership Groups also have responsibility for overseeing regional employment programmes and workforce planning, to ensure the alignment and integration of Employment, Education, Immigration, and Welfare systems.
- 7.4. Governance arrangements for the New Zealand Institute of Skills and Technology 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.
- 7.5. 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 urge Government to follow this recommendation in establishing the national Council of the new Institute.

8. Funding of Vocational Education

- 8.1. The CTU supports the proposal to introduce a unified model of funding for vocational education.

- 8.2. 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.
- 8.3. Funding arrangements should promote cooperative and complementary relationships between different organisations in the system, including Industry Skills Bodies and education providers.

9. Transition arrangements

- 9.1. Implementing reform of vocational education will be a major undertaking involving significant disruption to staff in a number of organisations.
- 9.2. The CTU recommends 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, and retain institutional knowledge.
- 9.3. 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.³

10. Conclusion

- 10.1. 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.
- 10.2. The CTU supports the overall intent of the proposals for reform of vocational education as part of a necessary effort to better integrate New Zealand's systems of employment support, vocational education, social welfare, and immigration.

³ See http://www.ata.govt.nz/web/cms_ata.nsf