

Submission to the Tertiary Education Commission on:

## Industry Skills Boards' Coverage

Submitted by the New Zealand Council of Trade Unions Te Kauae Kaimahi

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## 1. Introduction

- 1.1. This submission is made on behalf of the 32 unions affiliated to the New Zealand Council of Trade Unions Te Kauae Kaimahi (NZCTU). With over 340,000 union members, the NZCTU is one of the largest democratic organisations in New Zealand.
- 1.2. The NZCTU 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 (NZCTU), which represents approximately 60,000 Māori workers.
- 1.3. The NZCTU remains opposed to the planned reforms of the vocational education and training sector. We have not seen compelling evidence presented by the government that these reforms are justified. Additionally, the VET sector has gone through a major process of structural change over the past five years, and the planned reforms will only extend this disruption – learners and vocational education staff will bear the brunt of this.

## 2. The Industry Skills Boards

- 2.1. We are pleased that the Industry Skills Boards will retain most of the functions of the Workforce Development Councils. However, this does raise the question of why these changes are being made in the first place.
- 2.2. We note that in the regulatory impact statement accompanying the 2024 consultation, the Ministry of Education did not identify any significant issues with WDCs and recommended they be maintained. The Minister has not provided any compelling evidence to the contrary.
- 2.3. The Minister has stated she believes the WDCs are not well-connected to industry. In reality, the picture is more complex; some industry-WDC connections appear to be working well while others may need to be improved. It would be possible to achieve the Minister's stated aim by tweaking the WDCs, rather than the comprehensive restructure that is being proposed.
- 2.4. However, there are some notable differences between the WDCs and the ISBs. First, there is no indication that the ISBs will retain the skills leadership function of the WDCs. This is an important function that is about ensuring the New Zealand workforce will have future-proof skills and that New Zealand can benefit economically from the development of new industries and ways of working.
- 2.5. Second, we have seen no indication that the ISBs will be expected to support underserved workers such as Māori, Pasifika, and disabled. The Orders in Council that established the various WDCs address this issue, requiring the WDCs to, for example, help ensure fair and equitable outcomes and provide opportunities for all people in their industries to reach their full potential and capabilities. These same requirements should be placed on the ISBs.

### **3. Coverage**

- 3.1. It is good to see that most industries will be covered by ISBs. However, several important industries have been left out, such as creative industries and IT.
- 3.2. It would be useful if further information was provided as to why these industries have been carved out – no justification has been provided in the consultation document.
- 3.3. Both the creative sector and IT are growth areas that contribute significantly to New Zealand's economy, and the creative sector in particular has been poorly served by the skills system in the past. Transferring these industries to NZQA means they will miss out on the benefits of industry-led qualifications and assessments and strategic workforce analysis and planning.

### **4. Composition of the boards**

- 4.1. It is important that each board has a balanced representation of industry voices. This means including representatives of workers on each board, as is the case with the WDCs.
- 4.2. This representation is critical to ensuring that the qualifications and assessment standards that are developed meet workers' needs.
- 4.3. Equally, worker voice is critical in supporting high-quality workforce planning. It will help to ensure that the ISBs are aware of issues that workers face in different industries that might act as barriers to future workforce development, and of opportunities that workers see that might help industries develop and become more productive.
- 4.4. As with the WDCs, the ISB Orders in Council should provide that at least one board member must be a worker representative.

### **5. Conclusion**

- 5.1. The NZCTU thanks the TEC for the opportunity to submit on this consultation.

#### **For further information, please contact**

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