

Tertiary Education Report: Workforce Development Councils coverage update

Date:	27 May 2020	TEC priority:	High
Security level:	In Confidence	Report no:	B-20-00301
		Minister's office No:	

ACTION SOUGHT		
	Action sought	Deadline
Hon Chris Hipkins Minister of Education	Approve change to WDC framework to shift ICT to the Creative, Culture and Recreation WDC	10 June 2020
Enclosure: No	Round Robin: No	

CONTACT FOR TELEPHONE DISCUSSION (IF REQUIRED)				
Name	Position	Telephone		1st contact
David Strong	Director, Reform of Vocational Education (RoVE)	9(2)(a)		

THE FOLLOWING DEPARTMENTS/AGENCIES HAVE SEEN THIS REPORT							
<input type="checkbox"/> DPMC	<input type="checkbox"/> MPI	<input type="checkbox"/> ENZ	<input type="checkbox"/> ERO	<input type="checkbox"/> MBIE	<input type="checkbox"/> MoE	<input type="checkbox"/> MFAT	
<input type="checkbox"/> MPP	<input type="checkbox"/> MSD	<input type="checkbox"/> NZQA	<input type="checkbox"/> NZTE	<input checked="" type="checkbox"/> TEC	<input type="checkbox"/> TPK	<input type="checkbox"/> Treasury	

Minister's Office to Complete:	<input type="checkbox"/> Approved	<input type="checkbox"/> Declined
	<input type="checkbox"/> Noted	<input type="checkbox"/> Needs change
	<input type="checkbox"/> Seen	<input type="checkbox"/> Overtaken by Events
	<input type="checkbox"/> See Minister's Notes	<input type="checkbox"/> Withdrawn

Comments:

Recommendations

Hon Chris Hipkins, Minister of Education

It is recommended that you:

1. **note** following our most recent engagements with representatives of the ICT industry, IT Professionals New Zealand, and the creative sector, alliance WeCreate, there is strong support for the ICT sector to join the Creative, Culture and Recreation WDC;
2. **agree** to move ICT from the Manufacturing, Engineering, Logistics and Technology WDC to the Creative, Cultural and Recreation WDC.

AGREED NOT AGREED

3. **agree** the new working names for the affected WDCs to be Creative, Cultural, Recreation and Technology WDC and Manufacturing, Engineering and Logistics WDC.

AGREED NOT AGREED

4. **note** that both IT Professionals NZ and WeCreate are concerned about the inclusion of recreation, hair and beauty within the WDC and that IT Professionals NZ wish business and commerce industries to move to the WDC;
5. **note** we do not recommend further changes to the WDC coverage;
6. **agree** that the Tertiary Education Commission proactively release this briefing.

AGREED NOT AGREED



David Strong

Director, Reform of Vocational Education (RoVE)
Tertiary Education Commission

27 / 05 / 2020



Hon Chris Hipkins

Minister of Education

05 / 06 / 2020

We seek your approval to a significant change to WDC coverage

1. This briefing seeks your agreement to move the ICT industry from the Manufacturing, Engineering, Logistics and Technology (MELT) WDC to the Creative, Cultural and Recreation WDC.
2. It updates you on Workforce Development Council (WDC) coverage discussions with the professional bodies IT Professionals NZ and Engineering NZ and the Creative sector alliance WeCreate. These bodies have raised concerns about the WDC coverage areas.

IT Professionals NZ, Engineering NZ and WeCreate are concerned that the current WDC structure will impair their industries

3. In our paper to you on 11 January 2020 (AM/20/00059 refers), we set out IT Professional NZ's, Engineering NZ's and WeCreate's concerns.
4. On 14 February 2020, IT Professionals NZ wrote to you on behalf of itself and Engineering NZ, expressing concerns with the proposed alignment with MELT WDC. You were due to meet with IT Professionals NZ and Engineering NZ on 2 April 2020 about these concerns but due to COVID-19 this meeting did not occur.
5. We have also engaged regularly with WeCreate since the WDC coverage announcement on 17 December 2019. Its preference is for closer alignment with the ICT industry, which aligns with WeCreate's initial submission from October 2019. However, in contrast to its original submission, WeCreate no longer supports Creative's alignment with Sport and Recreation.
6. This latest position was set out in its 'WeCreate Creative Sector Recovery and Renewal Plan' addressed to the Hon Phil Twyford, Minister of Economic Development on 9 April 2020. The Plan called for a review of the WDC framework including an "Innovation WDC" made up of Creative, Culture and Technology.
7. The Appendix sets out the specific concerns raised by these bodies over the last couple of months on WDC coverage, and our comments on those concerns.

We have indicated the ICT sector may have some choice where it sits

7. We have continued to engage with IT Professionals NZ and WeCreate and have advised that, although officials would support a degree of choice (either ICT confirming alignment with engineering or moving to align with creative), the framework is not open to re-litigation.
8. IT Professionals NZ has indicated its preference of WDC alignment – which is with Creative, Cultural and Recreation WDC. This would result in a new working name for this WDC – Creative, Cultural, Recreation and Technology WDC.
9. IT Professionals NZ has further outlined it believes the Creative, Cultural, Recreation and Technology WDC will only work and have impact for its industry if 'Commerce/Business' is included in this WDC. Their position is largely based on the alignment of ICT and Business in academic faculties. Currently 'Commerce/Business' related industries are assigned to the Services WDC.
10. The vocational education scope of industries as per the Australian and New Zealand Standard Industrial Classification (ANZSIC) codes related to 'Commerce/Business' include: Business and Professional Association Services, Central, State and Local Government Administration, Other Administrative Services, Bookkeeping, Call Centre Operation, Credit Reporting and Debt

Collection Services, Document Preparation Services, Office Administrative Services, Employment Placement and Recruitment Services, Legal Services, Advertising Services, Corporate Head Office Management Services and Market Research and Statistical Services.

11. We do not propose moving these industries to the Creative, Cultural, Recreation and Technology WDC. No other significant concerns have been raised by other relevant stakeholders around the placement of these industries with the Services WDC.

IT Professionals NZ and WeCreate have some ongoing concerns about industry groupings within the proposed WDC

12. IT Professionals NZ and WeCreate have expressed some concerns around the inclusion of particular industries assigned to the Creative, Cultural, and Recreation WDC. Specifically they do not believe the industries of hairdressing, beauty, and recreation are aligned enough with creative and technology sectors to warrant being in this WDC.
13. IT Professionals NZ and WeCreate want a more exclusive WDC, which we do not recommend. A robust consultation regarding WDC coverage was undertaken. Industries such as hairdressing and recreation have a long history of vocational training and expressed a strong preference to be in the Creative, Cultural and Recreation WDC. At the time, submissions from the creative sector supported this grouping.
14. We note that no WDC constitutes industries in complete alignment and that best endeavours have been made to reflect the preferences of a large number of industry groups. We also note no other coverage concerns have been raised by other industry bodies that represent the ICT and creative sectors.

Engineering NZ has concerns around the management of its engineering diplomas

15. We have more recently engaged with Engineering NZ and it has advised it is broadly comfortable with the WDC framework, however it did still have some concerns around where the New Zealand Diploma of Engineering and the New Zealand Diploma of Engineering Practice may sit within the WDC framework.
16. Engineering NZ expressed a preference for the engineering diplomas to be managed by the Construction and Infrastructure WDC, which officials support. However Engineering NZ supports the other engineering qualifications remaining in the MELT WDC as it recognises the WDC is largely about the engineering trades such as aeronautical, automotive and marine engineering.

Minor areas of coverage have been resolved along the way

17. Minor issues and clarification of coverage have been resolved along the way through engagement directly with industry.
18. We are currently refreshing the WDC coverage areas based on the feedback provided by industry. Once the WDC interim establishment boards (iEBs) are appointed we will do a soft announcement of the refreshed coverage areas.
19. WDC coverage will be finalised via the Order in Council process undertaken by the iEBs.

We will report back to you on the outcomes of your decisions

20. The Expression of Interest process for the WDC Interim Establishment Boards (iEBs) appointments is currently underway, closing on 2 June 2020. A change to the WDC high-level framework will need to be considered in finalising the appointments to the iEBs.
21. We will engage with IT Professionals NZ and WeCreate and report back to you on the outcomes of your decisions.

Appendix: Coverage concerns raised by ITP NZ, Engineering NZ and WeCreate

Organisation	Initial submission on WDC coverage	Concerns raised following WDC announcement and proposed solutions	Joint concerns raised in February 14 th letter and proposed solutions
IT Professionals NZ (ITP NZ)	<p>ITP NZ proposed two preferred options:</p> <ul style="list-style-type: none"> • A standalone Digital Technology WDC. • A joint Digital Technology and Engineering WDC. • That although strong links were recognised between IT and other industries such as Creative and Business that sufficient rationale was not evidenced to house these within the same WDC. 	<ul style="list-style-type: none"> • Not enough “commonality or coherency” between ICT, and Manufacturing and Logistics. <p><i>RoVE response: WDC coverage was informed by the relationship of industries to the existing Vocational Pathways, the support that industry as a whole gave to this approach, the number of relevant qualifications and size of the workforce in each proposed WDC. It was also informed by the express wishes of industry (ICT advised it wanted to be located with Engineering).</i></p> <ul style="list-style-type: none"> • The ICT sector would not have a ‘voice’ within the WDC due to its size. <p><i>RoVE response: WDCs were being deliberately designed with the appropriate structure, measures and monitoring in place to ensure all industry voices would be heard.</i></p> <ul style="list-style-type: none"> • In contrast to its initial proposal ITP NZ proposed ICT may be better associated with the Creative sector. <p><i>RoVE response: Officials had considered placing ICT with Creative however based upon submissions from both professional bodies decided to place ICT with Engineering. Officials would support a move of ICT to the Creative, Culture and Recreation WDC.</i></p> <ul style="list-style-type: none"> • Proposed a Digital Technology, Engineering and Creative WDC as its preference. <p><i>RoVE response: This represents a significant shift from the agreed structure. Other engineering industries such as automotive, aeronautical and marine are comfortable with the WDC coverage.</i></p>	<ul style="list-style-type: none"> • STEM-related fields were spread too thinly across WDCs. • STEM-related fields were placed with other industries with very little or no commonality. • A STEM (science, technology, engineering and maths) or STEAM (science, technology, engineering, creative (arts) and maths) WDC is being proposed a solution. <p><i>Our response: We advised that STEAM is a disciplinary approach, not an industry approach, and although important, WDCs have been organised by industry, not academic discipline. STEAM approaches should be addressed through qualification and skill standard development.</i></p> <ul style="list-style-type: none"> • It was perceived that Engineering was being split across multiple WDCs. <p><i>Our response: We acknowledged there had been a misunderstanding, and advised that one WDC would be accountable for both engineering diplomas (currently MELT).</i></p> <ul style="list-style-type: none"> • That Engineering, ICT, Creative and Business have very closely related degree pathways. <p><i>Our response: Articulation to degrees is important for all WDCs and the qualifications they are responsible for. Articulated pathways are part of NZQA’s expectations for qualification development and this can be reinforced through other accountability and funding mechanisms for WDCs if necessary.</i></p>

Organisation	Initial submission on WDC coverage	Concerns raised following WDC announcement and proposed solutions	Joint concerns raised in February 14 th letter and proposed solutions
Engineering NZ	<ul style="list-style-type: none"> Engineering NZ proposed a 'core WDC' that oversaw a wide range of programmes that are common to the vocational orientated WDCs. 	<ul style="list-style-type: none"> Had been placed in a WDC "too diverse with a 'collection' of industries". <p><i>RoVE response: As with the concerns of ITP NZ above, WDC coverage was informed by the relationship of industries to the existing Vocational Pathways, the support that industry as a whole gave to this approach, the number of relevant qualifications and size of the workforce in each proposed WDC.</i></p> <ul style="list-style-type: none"> Proposed an ICT and Engineering WDC as its preference. <p><i>RoVE response: A WDC covering only ICT and Engineering would not have sufficient scale and size to be an effective key player in the new vocational education system.</i></p>	
WeCreate	<ul style="list-style-type: none"> WeCreate proposed that creative career pathways share strong similarities with those in Technology and Sports and Recreation. That given the creative industries had not previously had a specific ITO, there is no historic evidence to base judgement around groupings. 	<ul style="list-style-type: none"> Creative and Culture differs too greatly from Recreation and Sport in terms of value, skills requirements, vocational pathways and alignment with economic development pathways. <p><i>RoVE response: WDCs were being deliberately designed with the appropriate structure, measures and monitoring in place to ensure that diverse industry groups could be managed within the WDCs. Additionally Recreation is not only about Sport but is also about an industry that intersects with the Creative and Cultural industries to provide services to meet varied cultural, entertainment, and recreational interests.</i></p> <ul style="list-style-type: none"> The Creative sector has a synergistic and interdependent relationship with the technology and the ICT sector. <p><i>RoVE response: Officials had considered placing ICT with Creative however based upon submissions from both professional bodies decided to place ICT with Engineering. Officials would support a move of ICT to the Creative, Culture and Recreation WDC.</i></p> <ul style="list-style-type: none"> Proposed a Creative, Culture and Technology WDC (excluding some creative industries such as hairdressing, beauty therapy and barbering) as its preference. 	<ul style="list-style-type: none"> Not applicable.