

Event backgrounder: BusinessNZ Major Companies Group – Chief Executive Forum on Friday 5 April 2019

To:	Hon Chris Hipkins, Minister of Education
From:	9(2)(a), Programme Manager RoVE
Date:	28 March 2019
Reference:	E-19-00446

Purpose

1. This document provides you with background information on the Reform of Vocation Education for your meeting with the BusinessNZ Major Companies Group Chief Executive on Friday 5 April 2019 at 3.30pm. Talking points are attached.

About BusinessNZ Major Companies Group

2. BusinessNZ Major Companies Group has over 80 of New Zealand's largest companies as active members. A further 30 companies belong to the Gold Group and take part in policy and advocacy work.
3. The CEO Forum brings together chief executives of major companies from all industry sectors, for exchange of insights with the Prime Minister, Cabinet Ministers, political party leaders, government officials and other decision makers on issues affecting New Zealand.

The format of the CEO Forum

4. The guest speaker is allowed 10 – 15 minutes for presentation, followed by discussion.
5. The meetings are run under Chatham House Rules, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), or that of any other participants, may be revealed.

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Programme Manager RoVE,
Tertiary Education Commission

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Hon Chris Hipkins
Minister of Education

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Talking Points on RoVE

1. Why change is needed?

- a. Our world is rapidly changing and our education system needs to keep up.
- b. The issues facing the sector are deep, systemic and urgent
- c. We cannot continue to tweak the system knowing that the current model isn't delivering skills our entire workforce need to thrive.
- d. Once in a lifetime opportunity to make real fundamental change, but we must proceed at pace.
- e. The package of changes being proposed is significant. But the risks of not acting are also significant. We need to accept that disruption now will strengthen the vocational education system for the long term.

2. The proposals

3. Redefine the roles of education providers and industry training organisations

- a. Recognise and fund Industry Skills Bodies
- b. In the Government's proposed vocational education system, industry, employers and education providers would each have clear and complementary roles to play in ensuring learners, employers and communities get what they need.
- c. To give industry and employers a stronger voice, the Industry Skills Bodies would:
 - i. provide skills leadership, coordinating industry efforts to identify and plan to address future skills needs;
 - ii. set skill standards and approve programmes in vocational education across the entire vocational education and training system;
 - iii. set or moderate end of study assessments;
 - iv. support high-quality programmes, core curricula, and teaching and learning resources, working with Centres of Vocational Excellence where appropriate; and
 - v. advise and guide the TEC's priorities for purchasing vocational education.

4. Create a New Zealand Institute of Skills and Technology

- a. The creation of a new institution, by bringing together all 16 existing ITPs, will allow greater and faster improvements, compared to continuing with ad-hoc mergers, as individual institutions run into financial difficulties. It would:
- b. Serve regions and regional employers by allowing more consistent quality and choice of delivery aligned to regional needs,
- c. Create scale to absorb fluctuations in enrolments,
- d. Reduce duplication of services and get scale economies by using dedicated specialist teams to undertake programme and curriculum development for many fields of study,

- e. Bolster New Zealand's standing in the international market,
 - f. Utilise Regional Leadership Groups to assess regional skills needs and advise the national office and council of regional delivery needs.
 - g. Regional Leadership Group structure might best serve multiple needs across immigration, education and the labour market. They have a critical role to play in bringing together employers, education providers and other stakeholders such as community leaders, iwi and local government, to ensure these regional voices are heard in decision-making that affects them.
5. Create a unified vocational education funding system
- a. We need a unified funding system that:
 - i. fosters flexible work-integrated delivery,
 - ii. builds stronger connections between employers and education providers,
 - iii. enables the system to respond to changes in the economy.
 - b. The anticipated benefits of this new funding system are:
 - i. **For learners currently enrolled at providers** - more work-based learning opportunities, and an earlier entry to work.
 - ii. **For apprentices and trainees** - access to more tutor support and pastoral care, allowing for more tailored support to different types of apprentices and trainees.
 - iii. **For employers** - easier to recruit people with the right skills, and easier to access high quality vocational education in their region.
6. Centres of Vocational Excellence
- a. Areas of study of particular importance to New Zealand.
 - b. Hosted by the Institute and perhaps wānanga.
 - c. Covering key sectors and industries.
 - d. Broad (for example, agriculture) or specific (for example, viticulture).
 - e. Could cover key types of educational delivery, or activity, for example kaupapa Māori delivery.
 - f. Would be located across the country.
 - g. Could work closely with Industry Skills Bodies.
7. We have undertaken over 100 engagements throughout New Zealand.
8. Engagement will be ongoing to meet the needs of business, industry and community.
9. Consultation is open until 5 April 2019.