



**WAIHANGA ARA RAU**  
Construction and  
Infrastructure  
Workforce Development Council

February 2025

# **Update on vocational education and training redesign – Details on the Work-based Learning Consultation**





# What we'll cover

- ▶ **Summary of consultation outcomes**
- ▶ **The consultation process and timelines**
- ▶ **Summary of the two proposed models**
- ▶ **Comparison between both models**
- ▶ **Questions?**

# Recap of VET consultation outcomes

- ▶ On 20 December 2024, the Minister announced decisions regarding the future of New Zealand's vocational education and training system. The key points include:
  - Workforce Development Councils (WDCs) will be replaced by Industry Skills Boards (ISBs)
  - Te Pūkenga will be disestablished by the end of 2026, with regional Institutes of Technology and Polytechnics (ITPs) re-established either independently or within a federation model.
- ▶ However, no decision was made on the future of work-based learning. The Minister announced the further consultation would occur on two proposed models for work-based learning. 'Option B' which was included in the initial consultation and a new model, referred to as 'Option C'.

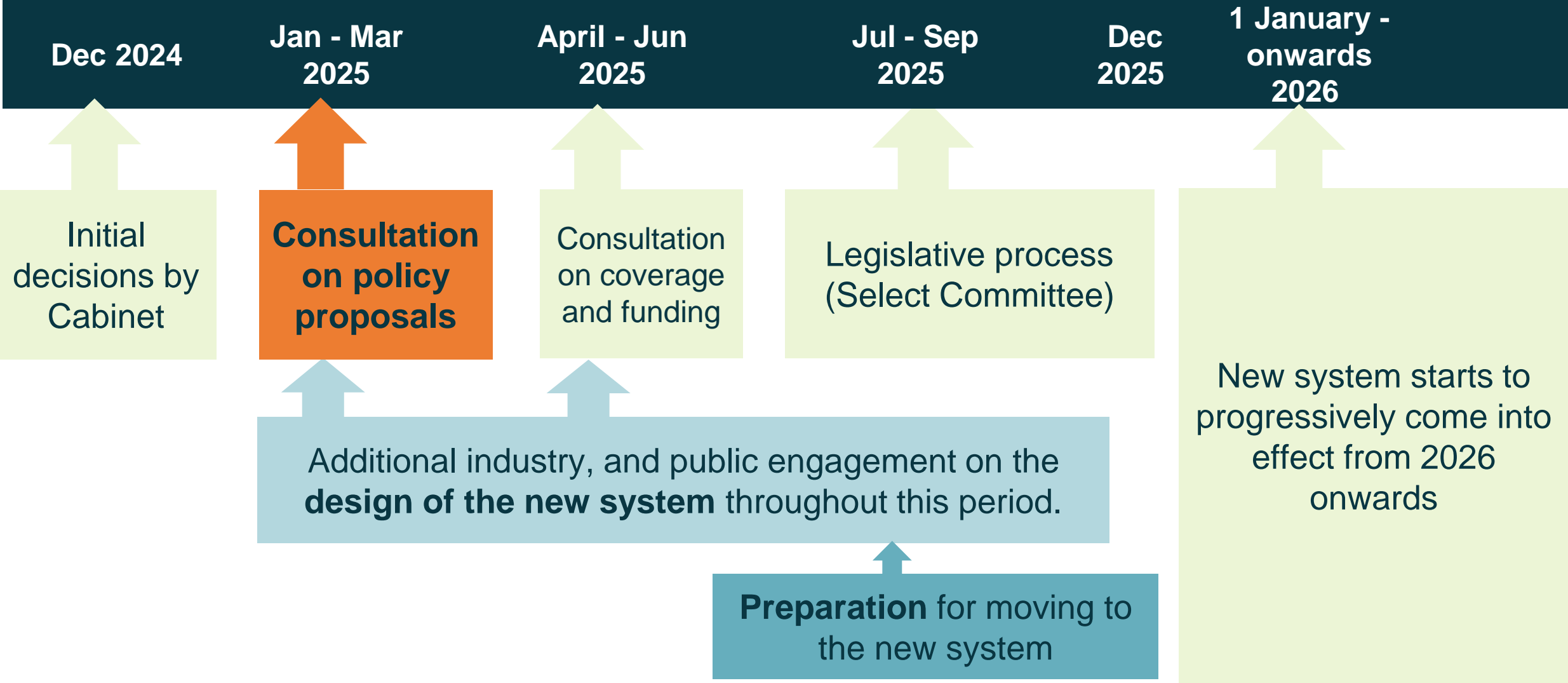
# Summary of the latest consultation

- ▶ Targeted consultation on work-based learning (apprenticeships and traineeships) is now underway, with industry input being sought on the two proposed models.
- ▶ Some industry representatives have already been invited to participate in a meeting with the Minister to provide feedback on which model they prefer.
- ▶ This consultation will have a significant impact on industry training for years to come.

**The consultation includes four questions focused how each model will serve employers and work-based learners. Written submissions are due by 5pm 21 February.**

- ▶ Consultation is yet to occur regarding the funding models and number of Industry Skills Boards
- ▶ Final decisions are expected in April 2025.

# Consultation process and timelines







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# Summary and Comparison of the Proposed Models





# Independent Work-Based Learning Model

**Overview:** Workforce Development Councils (WDCs) are replaced by Industry Skills Boards (ISBs) and work-based learning shifts to independent industry or privately owned providers.

## Key details

### Work-based Learning

- Connexis, BCITO, and MITO will transition into independent training providers under industry or private ownership.
- All providers will be able to offer both work-based and provider-based learning.
- Pastoral care, training support, learning materials, delivery and assessment will be managed directly by training providers.

### Role of Industry Skills Boards (ISBs)

- Develop industry qualifications and standards.
- Moderate assessment and ensure programme consistency.
- Conduct workforce analysis and planning.
- Provide investment advice to the Tertiary Education Commission (TEC).
- No direct involvement with individual learners and their employers.

### Funding & Financial Model

- ISB funding will be lower compared to WDCs and will be reallocated from current work-based learning subsidies.
- ISBs can charge providers fees for moderation, programme endorsement, and other quality assurance functions.
- ISBs may request industry levies and there will be fewer barriers to implementing them.

# Collaborative Work-Based Learning Model

**Overview:** WDCs are replaced by ISBs. Work-based learning shifts to a collaborative model where training providers manage education, while ISBs provide pastoral care.

## Key details

### Work-Based Learning

- Apprenticeships/traineeships managed by both a training provider (education delivery) & an ISB (pastoral care).
- The work-based learning divisions of Te Pūkenga (Connexis, BCITO, and MITO) would be dissolved, with learners transitioning into regional ITPs or PTEs and Wānanga. Staff may be transitioned to providers or to the ISB.
- All providers will be able to offer both work-based and provider-based learning.
- Training providers would manage all educational aspects of work-based learning including learning materials, assessment and arranging 'off-job' training components like block courses or night classes.

### Role of Industry Skills Boards (ISBs)

- Develop industry qualifications and standards
- Moderate assessment and ensure programme consistency.
- Conduct workforce analysis and planning.
- Provide investment advice to the Tertiary Education Commission (TEC).
- Offer direct pastoral care to apprentices and trainees.

### Funding & Financial Model

- ISB funding will be lower compared to WDCs and will be reallocated from current work-based learning subsidies.
- Funding for work-based learners will be split between the provider and the ISB.
- ISBs can charge providers fees for moderation, programme endorsement, and other quality assurance functions.
- ISBs may request industry levies and there will be fewer barriers to implementing them.



# Implication, benefits, costs and risks - Comparison of the two models

Model	Independent Work-Based Learning	Collaborative Work-Based Learning
<b>Implications</b>	<ul style="list-style-type: none"> <li>➤ ISBs focus on standard-setting, quality assurance, and investment advice with no direct role with learners.</li> <li>➤ Lower funding levels compared to WDCs, leading to greater reliance on provider fees and levies.</li> <li>➤ Training delivery is managed by providers, ensuring clear separation of responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Stronger regional focus, as training and pastoral care are distributed among multiple providers and ISB.</li> <li>➤ ISBs play an active role in learning support, ensuring closer alignment between training and workforce needs.</li> <li>➤ Greater integration between off-job and on-job training elements.</li> </ul>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>➤ Minimal disruption to current apprenticeship and traineeship relationships.</li> <li>➤ Simplified structure with clearer accountability, as one provider manages the entire training experience.</li> <li>➤ Potentially lower administrative burden for industry.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Better coordination between on-job and off-job training.</li> <li>➤ ISBs support workforce planning by directly engaging with employers and learners.</li> <li>➤ Stronger employer involvement in ISBs ensures industry-aligned training.</li> </ul>
<b>Costs</b>	<ul style="list-style-type: none"> <li>➤ Lower public-funding could mean higher costs for providers, impacting affordability.</li> <li>➤ Providers will incur fees for ISB quality assurance services, such as moderation and endorsement.</li> <li>➤ Industry may face indirect costs from fragmented industry engagement.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Higher administrative costs due to shared responsibilities between ISBs and training providers.</li> <li>➤ Potential for overlapping roles between ISBs and providers, creating inefficiencies.</li> <li>➤ Greater complexity in managing funding allocations across multiple entities.</li> </ul>
<b>Risks</b>	<ul style="list-style-type: none"> <li>➤ ISBs lack direct interaction with employers and apprentices, which may reduce industry responsiveness. Less flexibility for apprentices and trainees to receive additional support.</li> <li>➤ <b>Potential funding instability if ISBs struggle to generate sufficient revenue through levies and fees.</b></li> <li>➤ <b>Industry levies may be unpopular and create accountability challenges.</b></li> </ul>	<ul style="list-style-type: none"> <li>➤ More complex transition process - information sharing, staffing and set-up.</li> <li>➤ Potential for coordination challenges, confusion for employers and learners and accountability gaps, as both ISBs and providers share training responsibilities.</li> <li>➤ Funding must cover both delivery and pastoral care, separately, potentially reducing quality.</li> <li>➤ Potential disruption for learners transitioning from Te Pūkenga.</li> </ul>

## Other considerations

- ▶ There is no detail about a national coordination function.
- ▶ There is no reference or detail about support for career pathways.
- ▶ There is limited information about how the model will improve learner achievement or learner equity.
- ▶ Consultation is targeted – there may be a need to speak for those who are not in the room.

**Questions or comments?**



# Appendices

- ▶ Summary of key features in Independent and Collaborative models (*from the consultation document*).
- ▶ Addressing your priorities – an analysis of the two options against 16 areas industry told us were important

**Table 1: Summary of key features in Independent and Collaborative models**

Area	Independent Work-based Learning	Collaborative Work-based Learning
<b>How do industries exercise leadership?</b>		
<b>Who represents industry voice?</b>	<ul style="list-style-type: none"> <li>• An Industry Skills Board (ISB).</li> </ul>	<ul style="list-style-type: none"> <li>• An Industry Skills Board (ISB).</li> </ul>
<b>Nature of industry body</b>	<ul style="list-style-type: none"> <li>• ISBs are independent statutory bodies established by the Minister through standardised Orders in Council.</li> </ul>	<ul style="list-style-type: none"> <li>• ISBs are independent statutory bodies established by the Minister through standardised Orders in Council.</li> </ul>
<b>Role of industry body</b>	<ul style="list-style-type: none"> <li>• ISBs only have a standards-setting role.</li> </ul>	<ul style="list-style-type: none"> <li>• ISBs have both a standards-setting and a pastoral care and coordination function.</li> </ul>
<b>Governance of industry body</b>	<ul style="list-style-type: none"> <li>• Eight members: six industry appointees and two ministerial appointees.</li> <li>• Other governance elements set in Order in Council.</li> </ul>	<ul style="list-style-type: none"> <li>• Eight members: six industry appointees and two ministerial appointees.</li> <li>• Other governance elements set in Order in Council.</li> </ul>
<b>Coverage of industry body</b>	<ul style="list-style-type: none"> <li>• Set by the Minister and outlined in an Order in Council.</li> <li>• Sectors with no ISB are covered by NZQA.</li> </ul>	<ul style="list-style-type: none"> <li>• Set by the Minister and outlined in an Order in Council.</li> <li>• Sectors with no ISB are covered by NZQA.</li> </ul>
<b>How is work-based learning organised?</b>		
<b>Who can offer work-based learning programmes?</b>	<ul style="list-style-type: none"> <li>• Any provider, but the programme must be endorsed by an ISB.</li> </ul>	<ul style="list-style-type: none"> <li>• Any provider, but the programme must be endorsed by an ISB and involve that ISB as provider of pastoral care.</li> </ul>
<b>Who enrolls the learner?</b>	<ul style="list-style-type: none"> <li>• A provider.</li> </ul>	<ul style="list-style-type: none"> <li>• A provider, but the learner's enrolment must also be recorded by an ISB.</li> </ul>

Area	Independent Work-based Learning	Collaborative Work-based Learning
<b>Who does an employer deal with?</b>	<ul style="list-style-type: none"> <li>The provider who owns the programme and enrolls the learner.</li> </ul>	<ul style="list-style-type: none"> <li>The provider who owns the programme and enrolls the learner (for education matters).</li> <li>The appropriate ISB (for pastoral care).</li> </ul>
<b>Who provides pastoral care?</b>		<ul style="list-style-type: none"> <li>The appropriate ISB.</li> </ul>
<b>Who arranges education and assessment</b>		<ul style="list-style-type: none"> <li>The provider who owns the programme and enrolls the learner.</li> </ul>
<b>Who is responsible for learner success?</b>		<ul style="list-style-type: none"> <li>Responsibility is shared between the provider and the ISB.</li> </ul>
<b>How are standards-setting and work-based learning funded?</b>		
<b>Funding for standards-setting</b>	<ul style="list-style-type: none"> <li>ISBs receive public funding to operate.</li> <li>ISBs can charge fees to providers for quality assurance functions, dependent on individual business models.</li> <li>Barriers to introducing industry levies are reduced.</li> </ul>	<ul style="list-style-type: none"> <li>ISBs receive dedicated public funding for their standards-setting role.</li> <li>ISBs can charge fees to providers for quality assurance functions, dependent on individual business models.</li> <li>Barriers to introducing industry levies are reduced</li> </ul>
<b>Funding for work-based learning</b>	<ul style="list-style-type: none"> <li>Providers receive per-EFTS/STM subsidies.</li> <li>Providers can charge fees for enrolments.</li> </ul>	<ul style="list-style-type: none"> <li>Per-EFTS/STM subsidies are split between providers and ISBs.</li> <li>Providers can charge fees for enrolments.</li> </ul>



# Addressing your priorities continued

#	You told us that....	Independent Model	Collaborative Model
1	<b>Standard setting needs to be separate from arranging training.</b>	ISBs will be established to set standards and will not enrol learners.	ISBs will be established to set standards and will not enrol learners but will be involved in pastoral care.
2	<b>Investment needs to align with Government priorities.</b>	The proposal does not explicitly align with wider government priorities or differentiate between industries.	The proposal does not explicitly align with wider government priorities or differentiate between industries.
3	<b>Some competition is good, but not at the expense of quality and consistency.</b>	The model proposes more competition but the reality will depend on eligibility and viability.	There is a risk that a more regionalised model will create unequal access and quality.
4	<b>Small industry cannot be forgotten.</b>	Likely to be better supported by newly established work-based learning providers.	Likely to be at higher risk under a regionalised model. Careful transition would be required. Collaboration across providers engaging with industry will be required for national provision.
5	<b>The interface between industry and government is key to ensuring that industry doesn't lose its voice.</b>	The ISBs retain the Advice to TEC function.	The ISBs retain the Advice to TEC function. Potentially this model would result in ISB being more connected to industry employers and learners.
6	<b>We need to retain and invest in the apprenticeship system as it works.</b>	Apprenticeship training is retained but public investment is reduced. Opportunities for increased industry investment.	Apprenticeship training is retained but investment is reduced.

# Addressing your priorities continued

#	You told us that....	Independent Model	Collaborative Model
7	<b>A regional polytechnic model may reduce quality and consistency of learning and won't be able to deliver value.</b>	All programmes will be endorsed by the ISB and quality assurance (moderation) will continue across all providers.	All programmes will be endorsed by the ISB and quality assurance (moderation) will continue across all providers.
8	<b>Workforce planning is highly valued by industry and is undercooked in the proposals.</b>	Workforce planning is retained by the ISBs.	Workforce planning is retained by the ISBs.
9	<b>Expectations and incentives around collaboration are important.</b>	More detail on collaboration across providers may become clear in legislation.	Collaboration More detail on collaboration across providers may become clear in legislation.
10	<b>It may be beneficial to split construction and infrastructure.</b>	The number and coverage of ISBs is still to be decided. Further consultation to follow.  BCITO and Connexis likely to transition to independent entities with similar coverage.	The number and coverage of ISBs is still to be decided. Further consultation to follow.  Funding restrictions may impact final decision by the Minister.
11	<b>Consistency is important and to achieve this may require clear expectations and rules.</b>	Providers must use ISB developed qualifications and standards. ISBs retain quality assurance functions and the ability to administer capstone assessment.	Providers must use ISB developed qualifications and standards. ISBs retain quality assurance functions and the ability to administer capstone assessment.

# Addressing your priorities continued

#	You told us that....	Independent Model	Collaborative Model
12	<b>You were concerned around disruption to delivery, which could negatively impact on the economy.</b>	Likely to be less risky under this model. Transition arrangements would see learners moved to the newly formed provider.	There is a higher risk of disruption under this model due to a more complex transition and more players involved in the training process.
13	<b>You were concerned that there are some key functions that are missing from the proposed vocational education and training system.</b>	There is still no information provided about key functions like careers advice or focus of secondary-tertiary transitions. There is a risk that this is lost or poorly funded in the new system.	There is still no information provided about key functions like careers advice or focus of secondary-tertiary transitions. There is a risk that this is lost or poorly funded in the new system.
14	<b>There is enough money in the system and we need to consider alternative funding solutions.</b>	ISBs will have the ability to charge for some services and seek an industry levy. However, subsidies for work-based learning will be reduced.	ISBs will have the ability to charge for some services and seek an industry levy. However, subsidies for work-based learning will be reduced.
15	<b>You were concerned about funding shifting away from work-based training</b>	Existing funding for work-based learning will need to include some funding for ISBs, and is proposed to be decreased from current model. Consultation yet to be undertaken.	Existing workplace funding will be split to cover standard-setting, education and training, and pastoral care. Proposed to be decreased from current funding model. Consultation yet to be undertaken.
16	<b>Ensure a smooth transition to minimise disruption</b>	Likely to be less complex and involve less change for employers and learners.	Likely that the transition process will be complex and involve changes for employers and learners. Proposed that some WBL staff would transition therefore maintaining relationships.