
Waikato Institute of Technology

Submission on the Reform of Vocational Education

1.0 Executive Summary

- 1.1. Wintec supports the government's intention to create a strong and unified vocational education sector, and agrees that there are currently a number of structural, regulatory and funding issues constraining the sector.
- 1.2. Wintec makes this submission to assist the Government in designing and implementing these reforms appropriately, and is committed to continue to engage following the conclusion of this initial consultation period. Wintec notes that iwi consultation and a review of the vocational sector funding model are outside the scope of this consultation, and supports a more extended and considered review of these key elements in the reform process.
- 1.3. Wintec broadly supports the three principles described in the Reform of Vocational Education (ROVE) consultation documents, being:
 - Principle 1: Redefined roles for industry bodies
 - Principle 2: The creation of a New Zealand Institute of Skills and Technology
 - Principle 3: A unified vocational education funding system.
- 1.4. This submission primarily provides detail around what Wintec considers to be critical success factors of the future vocational education system (post the reform process), and issues which must be managed in the transitional period of these reforms.
- 1.5. Wintec has made significant progress with its iwi and Māori partners, and the proposed reforms must ensure that elements of responsiveness and partnership are retained. The boundary of regional vocational provision should remain aligned with iwi boundaries, and initiatives that give effect to local partnership, including the constitution and function of Regional Leadership Groups, must be maintained.

- 1.6. Learners, staff, industry, and other stakeholders also have a range of significant needs that must be managed through the reform process and beyond. This includes clear communications regarding the timing and implications of change, and reassurance that current and future training and qualifications will retain currency, standing and value.
- 1.7. Higher level provision (at Level 7 and above) is a significant component of the vocational education sector, and must remain so. This provision is critical for a range of vocational sector and learner needs, and is a key means of ensuring that New Zealand's vocational workforce capability requirements are met.
- 1.8. A reformed vocational sector funding model is vital for future success of the sector and requires careful and nuanced consideration. The funding model should enable a range of contemporary training options (including short courses, micro-credentials, work-based training and retraining), and yet allow regional campuses to manage and adapt to demand, while maintaining the quality of delivery.
- 1.9. The proposed organisations - National New Zealand Institute of Skills and Technology (NZIST), Regional NZIST, Industry Skills Bodies (ISBs) and Regional Leadership Groups (RLGs), and their interrelationships, are critical to ensure regional vocational provision is sufficient and appropriate. Wintec engages with and participates in a range of regional groups via a partnerships and subsidiaries, which should be maintained through the reform process.
- 1.10. An important element of regional vocational education provision will continue to be a regional character and responsiveness to regional issues. The regional NZIST institution, in conjunction with the Regional Leadership Group, must be empowered to achieve this. Wintec has a number of programmes and activities which give effect to regional responsiveness, including the Waikato Engineering Careers Agency and Soda Inc. (a business incubator), which should continue in the reformed sector.
- 1.11. Wintec strongly supports the Centres of Vocational Excellence (COVE) concept, which forms an opportunity to consolidate and leverage vocational excellence for regional and national benefit. Wintec already has a national leadership position in several significant sectors which present an opportunity to become a COVE.
- 1.12. Wintec does not have a preferred name for the New Zealand Institute of Skills and Technology, apart from noting that the term 'Skills' is problematic in international contexts. Given the importance of the name and brand of the new institution in competing for students, staff and industry partners both locally and internationally, Wintec strongly recommends that an appropriate agency is briefed to develop the name and brand of the proposed institution.

- 1.13. Wintec supports the intent of the reforms in creating a vocational sector suited to the needs of New Zealand now and in the future. The success of the reforms will rely on a careful evaluation and consideration of a number of detailed issues, and implementing a transparent and robust process to achieve change. Performance indicators should be put in place with the announcement of government decisions on ROVE, highlighting the goals and progress towards improved vocational outcomes.
- 1.14. Wintec will continue to engage and support these reforms to achieve the optimal outcome for the Waikato region and New Zealand.

2.0 Introduction

- 2.1. The Waikato Institute of Technology (Wintec) supports the intention of the government to create a strong, unified vocational education sector that is sustainable and fit for the future of work, delivering what learners, employers and communities need to be successful. Wintec agrees that a number of structural, regulatory and funding issues currently constrain the sector, and efforts to address these shortcomings are supported.
- 2.2. Wintec is motivated to achieve the best and most efficient and effective vocational training sector for New Zealand, for the benefit of:
- Learners – achieving improved skills and competencies to compete in the global economy
 - Industry – accessing trained and work-ready staff, and being able to interact effectively and efficiently with the vocational education and training sector
 - New Zealand Inc. – achieving a skilled, competent and innovative labour force in a fiscally efficient manner
 - Iwi and other local stakeholders – maintaining a positive partnership with local iwi and developing programmes to improve education and work outcomes for local communities
 - The Waikato economy – maintaining access to a regional vocational, technical and skills training system that addresses skill gaps in the vibrant local economy
 - Current vocational sector staff – Wintec staff, a variety of locally based Industry Training Organisation (ITO) staff, and other Waikato vocational sector staff have essential current skills and a stake in the success of the proposed reforms. It is important to provide appropriate certainty and clarity about the shape, timing and implications of the proposed reforms, so as to maintain goodwill and engagement and ensure that the right skills are available for the proposed new organisations both locally and nationally.
- 2.3. Wintec notes that consultation with iwi and Māori, and the design of the future funding model, is out of scope of the current consultation process. Wintec supports the intention to take more time and effort to ensure these consultation processes are done well, and that the sector outcomes reflect these important considerations.

- 2.4. Iwi consultation and partnership is a key issue for Wintec and its stakeholders. Wintec has a positive relationship with local iwi and seeks to ensure that these gains are not lost through the reform process. Initial engagement by Wintec with iwi have identified that iwi are also keen to maintain this relationship with a regional vocational education provider, regardless of the brand. Furthermore, through this relationship, iwi are keen to retain the regional identity and responsiveness of Waikato vocational education provision.
- 2.5. The funding model under which vocational education operates is critical to the future success of the sector. Wintec supports taking a considered approach to developing a more robust and fit for purpose funding model, that will both incentivise a diverse range of training and allow changing patterns of demand to be managed while maintaining quality.
- 2.6. The Reform of Vocational Education (ROVE) describes three primary proposals:
1. redefined roles for industry bodies and industry providers
 2. the creation of the New Zealand Institute of Skills and Technology and
 3. a unified vocational education funding systems.
- 2.7. While this submission addresses elements of all three proposals, the response primarily relates to Proposal 2: the creation of the New Zealand Institute of Skills and Technology (NZIST). The bulk of this submission defines critical success factors for the vocational education sector in its post reform state, as well as a number of issues that must be managed carefully and sensitively through the reform and transition process.
- 2.8. As with all reforms of this magnitude, ROVE creates significant risks to the ongoing performance of the vocational education sector. In supporting the intent of the reform, Wintec is placing significant trust in the government and agencies managing the transition to work constructively with the sector, to identify and effectively mitigate risks, and to draw experience from international examples of best practice.
- 2.9. With this submission, Wintec seeks to assist with the design and implementation of a revised vocational sector structure, maximising the benefits and minimising the potential risks and costs. Wintec will continue to engage positively and constructively with the ROVE process after this initial consultation and through the transitional period.

3.0 Future State Critical Success Factors

Iwi and Māori Responsiveness and Accountability

- 3.1. Wintec has made considerable progress in forming a partnership with local iwi and in being responsive to iwi and Māori needs. By way of example, the Wintec Māori and Pasifika Trades Training initiative has, since 2014, become one of the largest and most successful such initiatives in New Zealand. More than one-quarter (26%) of Wintec learners identify as Māori, and a significant proportion of Waikato Māori achieve higher education qualifications (degree and post-graduate) through vocational training. This underpins the importance of appropriate progression pathways in Waikato vocational provision, particularly for Māori. For the continuing development of Waikato iwi and local Māori, it is critical that the current provision - at all levels from foundation to post-graduate, and partnership continues.
- 3.2. The iwi and Māori voice must be maintained through the reform process. Iwi have described participating in previous amalgamation processes where consultation undertaken at the local level has not been heard by central agencies. Iwi consultation will need to continue to occur at a regional level, and the regional vocational institution needs to be empowered to respond appropriately and give effect to initiatives in response to this consultation.
- 3.3. Local iwi and Māori stakeholders have expressed a strong desire for the level of relationship with regional vocational provision to be maintained and enhanced. Local vocational education provision must remain consultative and responsive to their needs. A strong regional Māori vocational strategy will be required.
- 3.4. The 'region of influence' of local vocational provision should align with current iwi boundaries to retain clarity over the mana whenua relationship. While some amalgamation of Regional Leadership Groups may be desirable from some perspectives, it would cloud iwi accountabilities and relationships, and should be resisted.
- 3.5. Iwi and Māori groups must form a key component of the Regional Leadership Group (RLG). Their voices both reflect the regional partnership, as well as being advocates for some of the key regional communities of need.

- 3.6. Māori also form some of the disadvantaged and undertrained local communities that Wintec serves. Future vocational training provision in the Waikato region must retain the ability to be locally responsive to these needs. Wintec is currently developing its Te Ōritetanga proposal, which will have the dual outcomes of upskilling learners in disadvantaged communities and facilitating the development of local social infrastructure.

Recommendation 1

Consult constructively with iwi at a regional level to define the most appropriate way to maintain the current Waikato partnerships and responsiveness to iwi and Māori needs.

Learner Needs

- 3.7. Wintec currently has around 14,500 students in the Waikato, including around 1,600 international students, as well as operating several offshore campuses. These learners are engaged in various forms of education and training, from foundation courses that assist learners engage in tertiary study, to post graduate study and research. Offshore campuses operated by Wintec are located in China and Saudi Arabia, and provide pathways to study in New Zealand as well as solidifying and leveraging Wintec's and New Zealand's commercial opportunities in these countries.
- 3.8. Existing learners, as well as potential future students considering vocational options, are currently or planning to invest significant amounts of their time and money into the vocational education sector. Through the transition period (immediately following government decisions in May/ June) they will need detailed communications and reassurance that their investment will remain worthwhile one.
- 3.9. Specifically, learners will need:
- Confidence that their courses will remain credible locally (via the New Zealand Qualifications Framework) and internationally, and that all programmes and courses will continue to be offered until they have at least completed them
 - Assurance that while organisations may slowly change (i.e. from Wintec to NZIST, and from an ITO to an ISB), the reforms are about improving the sector performance and the service and value they receive
 - Assurance that transition and change processes will be sensitively managed, and that new improved processes will be developed and tested before existing processes and structures are replaced.

Recommendation 2

Establish a clear communications strategy alongside announcements regarding government decisions about ROVE to reassure domestic and international learners that vocational training will remain a valid and valuable tertiary education option.

Industry Needs

- 3.10. Wintec is a significant component of the Waikato regional economy, directly providing around 750 equivalent full-time jobs, and with Wintec international education alone contributing at least \$75M to the regional economy. Wintec has also invested more than \$120M in upgrading facilities since 2003. Waikato industry needs reassurance that a vocational training provision presence will be retained in the Waikato, both to address significant skill needs and as an integral component of the regional economy.
- 3.11. The vocational sector reforms, and in particular much of Proposal 1 of the ROVE process relate to improving the voice of industry in vocational education and setting skill qualifications. In addition to setting appropriate and relevant skills standards and qualifications, industry has a range of interactions with Wintec at a regional level that will need to be maintained and enhanced through the reform and transition process.
- 3.12. Such interactions include providing regional intelligence on labour market trends and skills shortages, providing feedback on graduate skills and competencies, providing pathways for learners and graduates into employment, and joint discussions around regional economic development. A regional vocational institution also provides a local avenue to discuss the regional impact of national issues.
- 3.13. Wintec has a number of partnerships and agencies with which it collaborates. Apart from Wintec being a significant regional employer and economic entity in itself, Wintec is engaged in entities such as:
- Te Waka – The Waikato regional economic development agency
 - WECA – Waikato Engineering Careers Agency
 - Soda Inc. – a business and entrepreneurship incubator and
 - LearningWorks – a Wintec subsidiary commercialising education and associated products.

The function of such entities will continue to be important to the Waikato region through the transition process and beyond, and accordingly these or similarly empowered entities will be required.

Recommendation 3

Alongside government decisions on ROVE, confirm to stakeholders in regions that there will continue to be regional vocational provision, that Industry needs will be enhanced through the reforms, and that existing structures, alliances and subsidiaries will continue to play a significant part in delivering regional character and responsiveness.

Higher Level Provision

- 3.14. Degree and Post-Graduate provision is currently listed as out of scope of the ROVE process. In 2017 such higher level provision (L7 and above) comprised 18.5% of qualifications awarded by Wintec, and 43% of TEC funded EFTs – a critical component of the Wintec business. Higher level provision is also critical for a range of vocational occupation, industry, Māori, and staff outcomes. This is because:
- Degrees and post-graduate qualifications are essential for a range of vocational occupations (e.g. Nursing, health and social practice)
 - Māori achieve disproportionately well in vocational post-graduate pathways
 - Degree and post-graduate opportunities and pathways are an attracting factor for domestic and international students, helping offset the traditional stigma against vocational study and occupations
 - Higher level provision provides staff development and engagement opportunities.
- 3.15. For these reasons, higher level vocational training provision, alongside the requisite research opportunities this brings, must remain an essential component of the NZIST, and in particular the regional provision of this education at regional campuses.

Recommendation 4

Confirm that higher level provision will remain an integral part of the vocational training sector, including in the regions.

Vocational Sector Funding Model

- 3.16. Wintec supports the redesign of the vocational sector funding model and considers this to be critical to the future success of the sector. The future funding model must provide adequate resourcing for the provision of vocational education and training.

- 3.17. The vocational funding model must be able to recognise and incentivise different forms of training, which are increasingly demanded by learners, the community and industry including:
- Foundation courses, including literacy and numeracy and bridging education
 - Formal certificates, diplomas, degrees and post-graduate qualifications
 - Short courses and micro-credentials
 - In-work professional development and upskilling
 - Re-training opportunities etc.
- 3.18. The funding of the vocational sector must be less acutely sensitive to fluctuating demand. The current process does not enable institutions to manage and adapt to changes in volume or patterns of demand effectively, and has led to institutions trading quality against cost. The model must allow vocational providers to identify and adapt to changing needs, and to retain sufficient resourcing to ensure academic quality is maintained.
- 3.19. Funding must follow a learner seamlessly, enabling for example a learner to move between industry-based apprenticeships and institution-based programmes or indeed from a university to the NZIST.
- 3.20. Funding must also explicitly enable innovation. Vocational provision will increasingly need to adapt and respond to the changing needs of industry and learners, including innovation at a regional level. Examples of where this may become important include Te Ōritetanga partnerships, where local innovative skills provision will enable both for local upskilling and the development of important social infrastructure in local or remote areas.
- 3.21. Funding must support rather than constrain industry and employer engagement. Even in industries with a strong history of industry training, employers that take on apprentices and trainees are the exception rather than the norm. Funding should support this, as well as the other additional engagement proposed through Regional Leadership Groups, and Industry Skills Bodies.

Recommendation 5

Consult constructively with Wintec and other regional providers in developing a nuanced funding model that allows vocational training appropriate to learner and industry needs in the 21st Century, and allows fluctuating demand to be managed without compromising quality.

National and Regional Responsibilities

- 3.22. The responsibilities of the proposed national and regional bodies must be clarified to enable to efficient functioning of the sector. Based on the consultation documents and current best practice, Wintec suggests the following summary of accountabilities and functions:

National ISBs

- Develop qualifications and skill standards and co-approval with NZQA
- Receive, compile and evaluate RLG recommendations for regional provision of training
- Develop industry sector view of required provision nationally and regionally
- Capstone assessment (where required).

National NZIST

- Central Management and administration, including policy development (HR, ICT, Financial policy etc.)
- Programme Development (85% – 95% of programme content depending on the degree of customisation required for regional context and learner needs)
- Marketing – to prospective domestic and international students
- Central Support services – including Finance, HR, IT (including systems such as Enrolment and Student Management Services, Learning Management Services etc.).

Regional NZIST Campus

- Develop Annual Regional Delivery Plan
- Programme development (5 – 15% of programme to address local needs or context)
- Delivery of education and training, including foundation, under-graduate, degree and post graduate training
- Research and associated activity in response to regional vocational issues and in support of post graduate education delivery
- Pastoral care of students, trainees and apprentices
- Accreditation of workplaces and assessors
- Regional responsiveness, including responding to regional needs, subsidiaries and partnerships
- RLG, Regional iwi, industry and other stakeholder engagement.

Regional Leadership Groups

- Compile data and intelligence in relation to regional labour market trends and needs
- Compile stakeholder views
- Develop regional provision recommendations
- Liaison and advocacy with Regional NZIST, ISBs and other stakeholders outside the RLG.

- 3.23. Some of these new accountabilities will require the development of new relationships while some are already partially established. In LearningWorks, Wintec has a commercial subsidiary that already engages in educational and commercial programme/ product development and Learning Management Systems, as will increasingly be required at the central and regional NZIST. LearningWorks have developed significant expertise and capability in this space, and should be considered a model for how this process will work under the proposed reforms and capability that should be utilised.

Recommendation 6

Consult constructively with vocational sector stakeholders to fully understand and codify the appropriate functions of the proposed new organisations.

Regional and National Interactions

- 3.24. The interactions between a Regional Leadership Group regional NZIST campus (both regional), and NZIST Management and Industry Skills Bodies (nationally based), will require clarity about role, function and relationships. Wintec is committed to continue to assist the Government in developing clarity around the functions and relationships these bodies will need to have.
- 3.25. By way of example, there will need to be clarity around how and to what extent an Industry Skills Bodies (ISB) develops and co-approves all qualifications. Proposal 1 suggests that ISB's fully develop qualifications and skill standards.
- 3.26. The ISB will require significant input from regional providers and their industry partners. It should be noted that ITOs, as the organisations most likely to transition to become ISBs, do not currently have full coverage for all sectors within an industry. Furthermore, in some instances there is no current ITO (for industries such as creative industries, Business, and ICT) and little prospect of one in the near future.

- 3.27. In such situations, clarity about the role of ISBs in creating qualifications and skill standards and specifying demand, and the TEC's responsibility for areas which do not have ISB coverage will be critical. Regional NZIST agencies, as existing providers of training and with industry partnerships in these areas, will have a valuable perspective, which must be taken into account by ISBs. ITOs, in setting skill standards and qualifications, currently facilitate input from providers – typically ITPs, and industry subject matter experts.
- 3.28. Wintec accepts that to maximise efficiency and scale economies, programmes of learning should *largely* be developed at a centralised NZIST. However, programmes of learning will need to be customisable at a local level in certain situations. An example of this when a programme is to be delivered in a significantly different context to normal – for example to Chinese residents in one of Wintec's offshore campuses. A further example is the level of matauranga Māori in Wintec domestic curricula, which for some programme areas is a significant point of difference to other providers nationally, and essential to respond to the needs of Midland region's communities.
- 3.29. In the development of organisational functions, responsibilities, charters and missions to enable the ROVE reforms, it will be important to continue to engage widely with parties such as Wintec to identify nuanced issues such as this, and to ensure that the subsequent regulatory framework is fit for purpose. Wintec is committed to continue to assist the Government in this process.
- 3.30. Wintec currently enjoys strong working relationships with the ITOs and other elements of the Industry Training System. Examples of these working relationships include with ETCO – a Group Training Scheme organisation, and in effective partnerships with agencies such as WECA. The combination of what are currently ITO and ITP functions in the new NZIST, particularly for current ITO staff, apprentices and trainees, will be a critical issue to transition sensitively and establish robustly so that the NZIST will have access to engaged staff and existing learners. Wintec is committed to working with ITOs, and particularly the staff likely to transfer to a regional NZIST body, to ensure ITO and ITP staff come together in the new organisation in a cooperative manner.
- 3.31. As discussed previously, regional boundaries of vocational provision must align with iwi boundaries. This enables a clear regional vocational education provider – iwi relationship to be established and facilitates regional character and responsiveness.

Recommendation 7

Consult constructively with stakeholders to establish appropriate relationships, interactions and rules of engagement between the proposed new organisations.

Regional Leadership and Connectivity

- 3.32. The proposed Regional Leadership Groups (RLGs) will be critical to enable regional advocacy and responsiveness to the needs of local community and stakeholders. Wintec notes that there is a spectrum of options for the composition of these groups, ranging from representative (all significant stakeholders part of the Regional Leadership Group), to smaller data-led groups which then liaise with significant stakeholders.
- 3.33. A representative RLG would need to incorporate all relevant significant stakeholders, including iwi, local government, economic development agencies, industry and employers, Māori and Pasifika, social development agencies etc. With a large and varied composition, the groups would have access to a wide range of intelligence and perspectives, but could become unwieldy.
- 3.34. A data-Led RLG would, by contrast, comprise a smaller group of specialists that would compile regional labour market data and identified skill needs, for consultation with a wider group of stakeholders. This consultation would then give rise to recommendations for the provision of regional vocational provision. Data, intelligence and information would be sought from:
- MBIE and industry skills boards on industry and labour market trends
 - Local industry and employer needs and intelligence
 - Iwi and Māori groups
 - Disadvantaged community and social development requirements
 - Regional providers on current provision and opportunities for innovation, etc.
- A smaller group might be more manageable, but will need to consult effectively to collect, encompass and consolidate representative views.
- 3.35. However they are composed, Regional Leadership Groups must:
- Connect strongly with regional strategies (including economic development)
 - Maintain a strong relationship with local government and associated bodies
 - Work closely with local education providers, including those outside the vocational sector
 - Advocate for resourcing and provision that meet the regional needs – e.g. of industry, employers and communities
 - Be locally accountable for vocational training provision in the region and
 - Work in partnership with and be responsive to iwi and Māori needs.

- 3.36. However the RLGs are comprised and constituted, Wintec considers that they will have a pivotal role in ensuring the needs of the local and regional community are identified. Their relationship must be primarily with the local vocational provider, which must in turn have the resourcing, mandate and flexibility to be able to respond to the identified and prioritised needs of the RLG.
- 3.37. Regional Leadership Groups must also have a robust relationship with ISBs and the TEC. RLGs will need to both be able to advocate for the regional skill needs, and to understand and to an extent be accountable for the resultant regional mix of vocational provision.
- 3.38. It is noted that in constituting RLGs, developing an appropriate balance between national consistency and regional responsiveness will likely be difficult to optimise, and what works in one region may not be appropriate in another.
- 3.39. Wintec leads and participated in a number of groups and fora that contribute to regional leadership and regional responsiveness, and which should be retained and enhanced through the proposed reform process.
- 3.40. An example of such a group is the Waikato Engineering Careers Association (WECA) - a group set up in response to a failing apprenticeship system in 2003. Incorporating contributions from Wintec, Competenz, ETCO, and the University of Waikato, WECA now supports sustainable training pathways into engineering in the Waikato in conjunction with local engineering firms and is a key vocational support to a regional industry of national significance.
- 3.41. Wintec also facilitates and houses Soda Inc, a regional business incubator programme, in conjunction with Callaghan Innovation, ASB, Deloitte, and the Gallagher group and a range of other commercial partners.
- 3.42. WECA and Soda Inc are concrete examples of Wintec engaging in bespoke solutions to be responsive to local and regional needs, and are part of what is described as the Waikato regional character. It is important that such responses are enabled to continue through the reform process. The need for proactive learner pathways into the dairy, engineering and logistics sector will not diminish for example, and workable solutions to this will need to continue to be able to be implemented at a regional level.

Recommendation 8

Define the composition and functions of Regional Leadership Groups with appropriate clarity to facilitate their initiation but enough flexibility to respond to regional needs.

Naming the New Zealand Institute of Skills and Technology

- 3.43. Wintec does not have a preferred name for the organisation currently referred to as the New Zealand Institute of Skills and Technology (NZIST). However, it is Wintec's view that the name must convey the organisations primary functions and embody prestige, distinction and reputation of a premier educational institution.
- 3.44. The inclusion of the term 'Skills' in the title/ brand can be problematic in international contexts. Internationally 'Skills' denotes lower level provision, and will present a barrier to the successful international marketing of such an organisation. International students, both in onshore and offshore campuses, are incredibly important sources of diversity, global perspective and revenue for Wintec. The proposed reform and the name chosen for the Institution should enhance the ability to market the Waikato and New Zealand vocational sector in international contexts.
- 3.45. The name of the institution will serve as a brand for the attraction of domestic and international students, in competition with Universities, PTE's and other local and international competitors. The international convention for the form of education is Technical Vocational Education and Training, though ITPs also engage in a range of other forms of training (foundation etc.) outside of purely vocational education.
- 3.46. The brand must also act as call to action for local industry and stakeholders to engage with the institute – including as partners, employers of trainees, apprentices and graduates, and in the provision of advice and intelligence regarding skill standards, programmes of delivery and labour market needs.
- 3.47. As the name and brand will be critical to the success of this organisation, the Government should make appropriations for a proper naming/brand process along with the announcement of government decisions about ROVE in May/June 2019. This development process would include briefing an appropriate agency with:
- The proposed scope of the organisation
 - The value proposition for existing and potential students, staff, iwi and industry stakeholders etc.
 - Domestic and international student market issues and competition and

- The product (vocational training) value proposition within the competitive landscape.

Recommendation 9

Commission a properly briefed and executed process to develop the name and brand of the NZIST.

Centres of Vocational Excellence

3.48. Wintec strongly supports the Centres of Vocational Excellence (COVE) concept. COVE's are seen as a way of building on existing areas of excellence in vocational training in the Waikato region, for regional and national benefit. The following are areas in which Wintec has a current national leadership role and which are appropriate to be developed as COVEs:

- Dairy and associated processing, logistics and engineering – the dairy industry in the Waikato is of national importance and has led to a range of highly successful and innovative related sectors, with supporting vocational education including dairy processing, logistics, engineering and international sales and distribution. The New Zealand dairy and WECA partnerships are a successful entity addressing pathways for learners and graduates in this nationally significant industry.
- Health and wellbeing – Wintec operates a highly successful, comprehensive range of health and social practice programmes, which creates the inter-professional learning opportunities for students necessary to implement New Zealand's health strategy. Programmes include Nursing (from Enrolled Nursing through to Nurse Prescribing and Nurse Practitioner), Midwifery, Occupational Therapy, Clinical Exercise Physiology, Professional Supervision, Mental Health and Addictions Counselling and Social Work. Wintec is the only accredited ITP provider of Physiotherapy in New Zealand and the only midwifery provider in the Midland region; and flexible progression pathways support Māori and Pasifika achievement. Our partnerships with DHBs and a wide range of other providers allow students to experience the diverse provision of care in our region. A significant point of difference is the level of matauranga Māori in Wintec curricula - suited to the bicultural context of Aotearoa, and is internationally recognised and supporting the development of more culturally responsive graduates. This is essential if we are to eliminate health inequities for Māori and Pasifika and of particular significance in the Midland region.

- International – Wintec international operations are worth \$75M to the regional economy and include both onshore and offshore campus delivery, as well as international vocational consultancy. Wintec is the New Zealand leader in delivering international vocational education services, both in scale and in scope, and NZIST should leverage and take advantage of this expertise.
- Innovation – Wintec has an extensive history in delivering training and facilitating innovation and entrepreneurship. These skills are increasingly demanded by the local, national and international economy, and are a developing area in the international vocational provision landscape. The Waikato component of the NZIST will be well placed to lead the response to this demand.
- Te Ōritetanga – Wintec has been leading the development of a concept to be both more responsive to the social needs of local communities and facilitating the provision of vocational training services in local communities of need. Te Ōritetanga in the Waikato will involve working with local communities of need, identifying and supporting local talent to develop locally needed skills, in services such as health and social work, enabling these skills to be learnt at the local level and supporting these skills being retained locally.

Recommendation 10

Establish a national network of COVES that reflect existing areas of national vocational leadership in high value sectors.

Performance Indicators

3.49. The proposed ROVE reforms are high level and do not yet define expected results. A set of Key Performance Indicators (KPIs) must accompany the Government's decision on ROVE in May/June, both covering the transition process and post the reform's full implementation. Such indicators should measure all aspects of the vocational training sector and include:

- Financial – the cost of the system as a whole and the cost per programme and qualification achieved
- Student success – the number and proportion of programmes and qualifications achieved, and employment outcomes
- Iwi engagement and satisfaction
- Industry engagement and satisfaction

- Staff engagement and satisfaction
- International student numbers and revenue, etc.

Recommendation 11

Establish appropriate performance indicators to track the success of the reforms pre, during and post the ROVE reform process.

4.0 Transition

- 4.1. Wintec considers that the transition – from the current vocational sector form to the future form, is a critical issue to manage for the good of all stakeholders. This transitional period will commence post the May/ June government decisions, and continue until the NZIST and the ISBs are fully operational. Wintec as an entity will contribute staff, expertise, facilities and resources to the proposed NZIST, and contends that the transition must be managed intelligently, efficiently, and sensitively to maintain stakeholder engagement, skills and morale.

Learners, Trainees and Students

- 4.2. Learners, both existing and potential, need ongoing clear reassurance that the proposed reforms will enhance rather than detract from the value they are getting from vocational education and training. This reassurance will need to include that:
- The certifications they are currently or planning to work towards will retain currency and status within the New Zealand Qualifications Framework and internationally
 - They will be able to complete certifications and apprenticeships they have started
 - The reforms are about improving the current vocational sector further, and investing in vocational education in New Zealand. A more seamless student experience, including for trainees and apprentices, will be realised through the proposed reforms, and
 - Through the proposed reforms, vocational education will remain a primary focus of the New Zealand tertiary education sector.

Recommendation 12

Establish clear communications that reassure existing students that their courses will continue and qualifications awarded, and prospective students that vocational training will be an increasingly attractive option.

Staff

- 4.3. The success of the new organisations will depend primarily on the calibre, quality and engagement of their staff. In order to maintain engagement and goodwill, staff will require clarity around the implications and timing of the proposed reforms. Wintec recommends that a communications channel should be established once decisions on the future structure of the sector have been made, with ongoing, timely communications as the process evolves.
- 4.4. Where possible, contracts and contractual conditions should be grand-parented into the new structure. While it is desirable to have consistent contractual conditions as far as possible, it is also necessary to promote certainty for staff where this is able to be provided, and to build goodwill and forbearance as a way of managing the inevitable issues this significant change will create.
- 4.5. Staff require ongoing leadership through the transition period, which is empowered to keep them informed, highlight the transitional strategic direction, and to facilitate ongoing professional development. Existing and transitional management must be provided clarity about their personal situations to authentically and effectively provide this leadership to others.

Recommendation 13

Establish ongoing communications that reassure staff that changes for them will be identified, communicated and implemented over a defined time period, and that this will be managed sensitively.

Subsidiaries and Associated Organisations

- 4.6. Like many ITPs, Wintec has a number of subsidiary, partnerships, associated organisations and relationships which it utilises for various purposes, including the management of offshore campuses. For the sake of maintaining the commercial confidence of existing subsidiaries, partnerships and relationships, it should be clarified that:
- All existing Wintec subsidiaries, partnerships and contracts with extremal agencies will be honoured by Wintec, for as long as it exists, and by NZIST as it succeeds Wintec. This assurance does not extinguish the normal operational accountabilities to monitor, manage, amend or exit commercial arrangements as is appropriate.

- Subsidiary organisations, partnerships and associated organisations will continue to operate within their organisational charter and mission through the transitional period, and;
- During the transitional period, Wintec will retain the function of identifying opportunities for further innovation, and if appropriate, acting on them in consultation with the TEC or a ROVE transitional agency.

Recommendation 14

Clarify that subsidiaries and partnerships will continue to be managed in accordance with their purpose and charter through the transition.

Timing

- 4.7. In order to maintain sector stability and staff engagement, decisions about the future form of the sector must be released with an indicative timeline of implementation as soon as is practicable. In the first instance, this should include the projected 'Transition Date', where sufficient systems are in place for staff, facilities and resources to transfer from their current ITP, ITO or other organisations into NZIST and/ or ISB's etc.
- 4.8. Indicative timings, and channels of communications should also be opened for identified work streams, including:
 - Functional definitions for NZIST – e.g. central and regional functions, accountabilities and resourcing
 - Functional definitions for ISB's – e.g. recognition requirements, degree of qualification development (i.e. standards or programmes)
 - Development of the Funding Model
 - Development of model relationships with regional iwi and Māori
 - Regional Leadership Group composition definition, and establishment processes
 - Envisaged interactions and processes between the various groups
 - Development of COVE's – definitions, scope, approval process , funding mechanisms.
- 4.9. In addition, the new organisations themselves (NZIST including regional campuses, and ISB's) will need infrastructure and management in place ready for a functional transition of responsibility from the legacy organisations. This includes:

- Enrolment infrastructure (as well as supporting marketing, IT support, student administration and contact centres etc.)
- A Learning Management System
- Facilities and Operational Management plans
- Customer Relationship Management systems
- Financial systems
- IT support etc.

4.10. Examples of best practice and experience in successfully integrating and implementing new systems should be sought from the sector and beyond. Detailed transition planning will need to identify the timeline and processes needed to successfully integrate or implement new systems, and for how long legacy and separate systems must be maintained.

Recommendation 15

Establish and communicate a timeline of change, and look for best practice in the implementation and integration of systems.

5.0 Conclusions

- 5.1. Wintec supports the Government's efforts to address some of the issues constraining the vocational education sector, and is motivated to improve the effectiveness and efficiency of the sector for the benefit of learners, iwi, NZ Inc., industry and other stakeholders, and sector staff.
- 5.2. Wintec will continue to engage positively and constructively with the government through this reform process, so as to manage and minimise and potential risks, and maximise the benefits of a high functioning vocational education and training sector.
- 5.3. In particular, the charter, functions and relationships of the various agencies will need to be deeply explored to understand nuances of and exceptions to the high level reform proposals. Examples of such nuance include qualification development in areas without ISB coverage; and the function, composition and relationships of Regional Leadership Groups.
- 5.4. The development of a funding model will also be critical for the future success of the vocational training sector. It will need to be able to incentivise a range of vocational training methods appropriate to contemporary society and economy, be sufficient to maintain quality, while still retaining the flexibility for innovation.
- 5.5. The reform process will require further engagement to identify and implement the sector responsibilities, roles and functions. The ROVE process, post the announcement of the government's decision, will require a sensitive transitional period, to maintain engagement with key stakeholders, including learners, industry, iwi and existing staff.
- 5.6. Wintec is committed to working with the Government to ensure the proposed reforms result in the best possible vocational education and training sector for the Waikato region and New Zealand.