

## **Vocational education and training under the new government**

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For the past quarter century, New Zealand's industry training system has effectively operated as the country's largest vocational education and training (VET) program. Industry training provides formal recognition of skills and knowledge through both on-the-job learning activities and off-the-job education and training. It is government-subsidised workplace training that leads to qualifications on the New Zealand Qualifications Framework (NZQF), which is structured to be consistent with other established national qualifications frameworks around the world. Setting and assessment of the unit standards that comprise nationally recognised qualifications are the primary functions of Industry Training Organisations (ITOs), which are established by particular industries and recognised by the Associate Minister of Education (Tertiary Education) under the Industry Training Act 1992.

Qualifications attained through an accredited training programme range from certificates, which are typically completed in a relatively short period of time, to advanced diplomas, requiring two years of post-secondary schooling. The system covers a large number of careers and industries, including trades, retail, hospitality, office work, and information and communication technology. Training is provided by registered and accredited training institutions, including both public and private providers. Industry training is subsidised by the government through the Industry Training Fund. In conjunction with any government subsidy, employers are expected to contribute by purchasing training for their employees, who may also be expected to contribute to those costs through the payment of course and administrative fees.

Apprenticeships, subsidised through industry training, lead to nationally recognized qualifications and include both practical and theoretical components. They are available to anyone of working age, regardless of previous education or other qualifications earned. New Zealand Apprenticeships offer trainees opportunities for training and study at a variety of qualification levels while working in a range of occupations, including traditional trades. An apprentice must be employed throughout the apprenticeship in the occupation for which they are training, and an apprentice must be supported by a training plan agreed by the apprentice, the employer and the organisation arranging the training. With nearly 150,000 industry trainees and apprentices - there are currently more industry trainees and apprentices than university students - employers are effectively the largest tertiary institution in New Zealand.

New Zealand's VET policies and practices have been subject to regular reform, the purported objective of which has been to reconcile that system with perceptions of skills deficiencies in the labour market. Closer examination of those reforms, however, suggests the shifts in the country's VET policy over the

past twenty years have been driven more by political ideology than economic necessity. To that end, neo-human capital theory, which reflects a neo-liberal belief in a limited government role in deference to the efficiency of markets, increasingly came to dominate VET policy debates in New Zealand throughout the 1980s and, in turn, formed the basis of VET policy reforms during the 1990s. Crucially in this regard is that New Zealand's government is no longer tasked with being a direct provider of training and apprenticeships, in terms of either design or delivery of those programs. Rather, government's role has been limited to setting the policy framework and provide the necessary funding incentives and policy infrastructure, through various government agencies, to stimulate industry training. .

Importantly, a growing number of academics and independent researchers who've studied education policy, both in New Zealand and abroad, contend neo-liberal approaches to curriculum choices in the VET sector is alienating for VET educators, leaving them disoriented and unable to exercise judgement. There is, moreover, a growing consensus that a viable vocational qualification system must be open to all workers and ensure the provision of VET which is relevant to those skills needed and equivalent to other vocational training certificates at that level. Future investment in the Industry Training and Apprenticeships sector will help to deliver a highly skilled and productive workforce, which contributes to individual and collective wellbeing and economic success.

Key to sustaining competency standards which align with labour market needs, nevertheless, is increasing collaboration between relevant government agencies and key industry stakeholders, both employer and union, including representatives from industry, education and training practitioners, academics and other experts, professionals and community groups. What is also needed in terms of skill development policy is greater private sector involvement in skills development in terms of both identifying and filling training needs and stronger linkages between industry and VET institutions.

Yet, there are risks attendant to the expansion of market-based, industry-led VET systems in which there are few institutional mechanisms for transition from schooling to work. Primary among those risks is related to the inability of trainees and apprentices to finance their own training and skill development, coupled with the inability of employers to capture the full benefits of vocational instruction. There is also the fear that, without a careful mapping of skill supply with skill demand, where it takes time for a trainee to make the transition from learning into related employment, the skills one gains through VET may soon become obsolete. It is promising, therefore, that the Labour Party included apprenticeships and work-based training in its pre-election commitment to reduce the cost of post-school study.

Labour also affirmed during the campaign its commitment to minimising skills shortages across all sectors in New Zealand. It said it would achieve this, in part, by restoring skills leadership roles to ITOs, to reinstate the Skills Leadership Group, strengthening the role of ITOs as standard setting bodies for their respective industries, and promoting partnerships between industry and tertiary providers to deliver fit-for-purpose and responsive education to people of all ages and stages of their careers. It is further expected that the incoming government will seek to involve ITOs to a much greater extent in the provision of careers advice and guidance to prospective school leavers so they are exposed to information about a much greater range of employment and training options. Labour also pledged as part of its Election Manifesto, to remove the cap on ITO training above Level 5 of the Qualifications Framework, and to incentivise pathways between provider-based and work-based education.

Notwithstanding these structural changes, boosting apprentices and improving support for employers who take on apprentices is key to the success of these initiatives. In the end, VET is essentially a public good in that there is little incentive for individuals or employers to provide for its full cost and, more importantly, it serves the public interest to have a national VET system. It is telling in this regard that, during the recent election campaign, both major parties conceded that increased investment in apprenticeships and workplace learning is needed to meet the challenges posed by changing technology and shifting skill requirements. In other words, government must play a strategic role in VET, both in terms of providing financial support for learners and the sector alike and with regard to overseeing and monitoring its provision.