



Briefing Note: Employers and Manufacturers Association Meeting Briefing

To:	Hon Chris Hipkins, Minister of Education		
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Purpose of Report

The purpose of this paper is to respond to your office's request for information to aid in your meeting with the Employers and Manufacturers Association (EMA) at the end of September. The content provided outlines what the Government is doing to support industries and employers by getting learners ready for employment (across the entire education system) as EMA has significant coverage across different sectors of work.

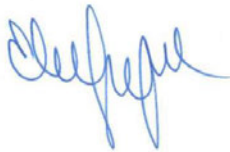
Summary

- EMA hold regular Policy Forums to discuss relevant workforce issues and have invited you to speak at the next Policy Forum at the end of September to respond to their members' educational concerns of taking on new staff.
- Your office has requested a briefing from the Ministry of Education (the Ministry), with input from the Tertiary Education Commission (TEC), and the New Zealand Qualification Authority (NZQA) that covers what the Government is doing across the education system to support learners to be work-ready.
- The information requested includes:
 - The refresh of the New Zealand Curriculum and its alignment with NCEA;
 - Reform of Vocational Education (RoVE) and its varied components such as Unified Funding System (UFS), Workforce Development Councils (WDCs) Regional Skills Leadership Groups (RSLGs);
 - Te Pūkenga and Private Training Establishment enrolments;
 - an update on the micro-credentials;
 - work done to support apprenticeships; and
 - career support for learners.

Proactive Release

- a. **note** that the Ministry of Education will proactively release this briefing following your attendance at the EMA Policy Forum.

Noted



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Te Puna Kaupapahere | Policy

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Hon Chris Hipkins
Minister of Education

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Background

1. You have been invited to speak at the Employers and Manufacturers Association (EMA)'s Policy Forum at the end of September to respond to their members' concerns about the educational challenges of taking on new staff, and to outline how the Government is addressing these challenges across the entire education system. This follows recent presentations to the EMA by Minister of Finance, Minister of Immigration, and Minister of Research, Science and Innovation in the past few months. This event will be members-only with no media, between 50-70 people in attendance – a mix of small business owners and senior members of larger company's leadership team. The usual format is a 30 – 40-minute address, followed by a Q and A.
2. EMA are part of a nationwide network that includes BusinessNZ, Business Central, Canterbury Employers' Chamber of Commerce and Business South, with around 30% of the country's workers employed by EMA's members. EMA works to support their members' businesses through advice, learning, and advocacy to create an environment for recovery, transformation, and growth across sectors and industries.
3. EMA claims one of their biggest issues is the education levels of new staff with up to 22% (73 businesses) of surveyed members saying they faced challenges with numeracy and literacy in the workforce, and 50% (157 businesses) concerned about the lack of work readiness. In-work training, apprenticeships, upskilling, and retraining ageing workers are priorities for EMA members, as well as an interest in career advice systems and concerns about the progress of Te Pūkenga.

Preparing learners through the refreshed Curriculum changes

The refresh of The New Zealand Curriculum

4. The Ministry is undergoing a refresh of The New Zealand Curriculum – one that honours our Treaty of Waitangi obligations, is inclusive, clear about the learning that matters, and is easy to use. The intent of the refresh is to ensure all learners have the right to learn, develop and make progress in the things that matter to them.
5. The Ministry will be seeking feedback later in September (date still to be decided) on the draft Curriculum Framework¹ – known as Te Mātaiaho – meaning to '*observe and examine the strands of learning*,' which confronts the shifts required for learners to see themselves and their learning in the refreshed curriculum by having a stronger focus on wellbeing, identity, languages, and cultures.
6. Te Mātaiaho includes a refreshed purpose statement calling school leaders and teachers to action, a Treaty of Waitangi statement, and a refreshed Vision for Young People – written by young people, for young people. It gives practical effect to the key competencies² within the 2007 New Zealand Curriculum and how they can be woven throughout the learning areas. Te Mātaiaho sets out a process of ongoing design and review of local curriculum. Together, national and local curriculum provide the basis for learners to flourish and thrive.

¹ This will coincide with the launch of our new one stop shop website on the Curriculum Refresh www.curriculumrefresh.education.govt.nz (not yet live).

² The five competencies being thinking, relating to others, using language, symbols, and texts, managing self, and participating and contributing

Alignment with NCEA

7. The work of refreshing the New Zealand Curriculum and delivering the NCEA changes are well aligned. The Ministry is working collaboratively with secondary schools and local communities on both the curriculum and NCEA changes.
8. A refreshed New Zealand Curriculum will support learners on their pathway into senior secondary years and beyond by creating better connections between curriculum learning areas at the earlier years and subject-specific learning at the later years. This will create a continuous learning experience for learners to develop the foundation they need for success throughout education, and in national qualifications.
9. As part of the Literacy & Communication and Maths Strategy, a common practice model is being developed from early learning through to year 13 to create greater clarity, coherence and consistency in teaching, leadership, and assessment practices.
10. The common practice model will outline principles and evidence-informed pedagogical approaches to underpin teaching, learning and assessment for literacy & communication and maths and the refreshed New Zealand Curriculum. It will provide resources and tools that guide quality-assured teaching and assessment practices and approaches and be embedded into supports, professional learning and development, and initial teacher education.
11. The common practice model will explicitly link to the pedagogies and progression in the refreshed New Zealand Curriculum, providing the practical supports teachers have been asking for to bring rigour to the teaching and learning of literacy & communication and maths in ways that honour our obligations to te Tiriti o Waitangi and are inclusive of each learner.
12. The common practice model for Literacy & Communication and Maths will support teachers right through until year 13, supporting learners to be successful in the new co-requisites and beyond.

The Reform of Vocational Education

13. The Reform of Vocational Education (RoVE) is creating a strong, unified, and sustainable vocational education system that is fit for the future of work and will deliver the skills that learners, employers and communities need to thrive. This involves improving the education and training system's ability to meet industry needs and provide incentives for New Zealanders to train, re-train and upskill. RoVE is designed to have a stronger focus on employers obtaining the skills they need in the workplace and to support a national network of quality provision of work-integrated learning, so that learners can 'earn while they learn'. The Ministry expects shifts brought about through RoVE to support learners to have access to more work-integrated learning over time, enhancing the relationship between employers and learners.
14. Some key shifts we expect will support stronger connections between work and vocational education are the new unified funding system (UFS), Workforce Development Councils (WDCs) and Te Pūkenga's connections including with Regional Skills Leadership Groups (RSLGs).

Workforce Development Councils (WDCs)

15. WDCs have been established as industry-led organisations to drive the skill needs of industry through the system. WDCs develop and set key educational products such as

skill standards, micro-credentials, qualifications and New Zealand Programmes ('national curricula'). They also endorse programmes developed by providers to ensure these will deliver what industry needs. WDCs provide advice to TEC on the mix of vocational education and training required to meet industry needs and this informs TEC's investment process. Because EMA's members covers many sectors, all six WDCs are relevant and should be engaged with.

Regional Skills Leadership Groups

16. The fifteen Regional Skills Leadership Groups (RSLGs) are independent advisory groups that are locally based and regionally led. They identify and support better ways to meet future skills and workforce needs in their regions, both now and in the future, and advise on actions to address these.
17. RSLGs are part of a joined-up approach to labour market planning that will see our workforce, education and immigration systems working together to better meet the differing skills needs across the motu. They are a fundamental part of the drive to build productive, inclusive, sustainable and resilient regions.
18. The fifteen RSLGs will cover the geographic regions based on regional councils and unitary authorities, as follows:

• Northland	• Taranaki	• Marlborough
• Auckland	• Hawke's Bay	• West Coast
• Waikato	• Whanganui-Manawatu	• Canterbury
• Bay of Plenty	• Wellington	• Otago
• Gisborne	• Nelson and Tasman	• Southland

United Funding System

19. The high-level design of a new single unified funding system for vocational education and training has been confirmed by Cabinet. The new approach encourages tertiary providers to make work-based training available for more learners and employers and supports addressing national and regional skills priorities to better support employers in their businesses.
20. To minimise disruption to the sector, the transition to the new system will begin from January 2023. The Ministry and the TEC will continue engaging with the sector about the changes and how they will be implemented.
21. The UFS will have three components to it:
 - a. The delivery component, which funds providers based on the subject of the learning and where that learning is delivered (e.g., in the workplace, classroom or online).
 - b. The learner component, which significantly increases the funding available to respond to learners' needs and incentivises providers to support the unique needs of all their learners.
 - c. The strategic component, which supports providers to respond to regional and national skills priorities, sustain a national network of provision, and support programme development and maintenance.

22. A significant increase in funding for work-based learning, and funding to better support learners, are features of new VET funding rates for 2023. The UFS funding rates for vocational education incorporates over \$240 million announced for VET in Budget 2021, and a 2.75 percent increase in tuition subsidy rates through Budget 2022. This provides for more than \$850 million per year for VET provision on an ongoing basis from 2023.
23. The new system will have a stronger focus on employers, delivering the skills they need, providing more support for their employees, and ensuring greater consistency in vocational education across the country. Longer term, this will increase the number of employers who are engaged in vocational education.
24. Work-integrated learning will become an increasingly important part of the vocational education system, giving people the opportunity and flexibility to earn while they learn and gain an education that is more directly relevant to the changing needs of the workplace.
25. With the help of this additional investment, the new funding system will support the reformed VET system to deliver the skills that learners, employers and communities need to thrive.
26. The strategic component of the UFS will encourage providers to develop new approaches to deliver VET and other activities. This will be split between two elements: the national and regional skills priorities element, informed by advice from the WDCs and the RSLGs as the voice of industry.
27. Government subsidies for training are to be removed for non-domestic trainees and apprentices (i.e., those who do not have residency or citizenship). The Ministry and TEC are currently developing an applications-based exemptions process, based on recommendations from Workforce Development Councils [METIS 1275119 and 1276773 refer], to enable non-domestic learners to access subsidised training, where it is in the national interest.
28. The Ministry and TEC propose to treat non-domestic visa holders who qualify for an exemption, and are therefore awarded valid domestic status, the same as other domestic students. This includes not restricting visa holders with an exemption from accessing Fees Free, or their employers from accessing the Apprenticeship Boost Initiative. Exemption holders will not be eligible for student support, as is currently the case for domestic industry trainees.
29. The Ministry is working with WDCs to develop the details of, and timetable for operationalising, the exemptions regime for non-domestic learners to be eligible for tuition subsidies. The Tertiary Education Commission has informed the sector, the WDCs are currently determining which qualifications and micro-credentials will be eligible for subsidies. TEC will release the final application process information in xxx for the process to go live in January 2023.

Te Pūkenga

30. Te Pūkenga aims to be a unified, sustainable, public network of regionally accessible vocational education, that will bring together the existing 16 Institutes of Technology and Polytechnics. Te Pūkenga is expected to advance equitable access to on-the-job learning for all New Zealanders.
31. At a regional level, Te Pūkenga will connect with RSLGs to deliver on regional needs and strategies. They will jointly seek to align delivery with signals sent by firms about when and how many jobs are available. Work-based learning where there is an employment agreement may help to bridge this gap. However, the timing and sequence of transitions

will remain a collaborative challenge that is likely best supported at the level of implementation.

32. By December 2022, all Transitional Industry Training Organisations (TITOs) will have transferred their arranging training functions to other providers (Te Pūkenga, private training establishments (PTEs), and wānanga). The TITOs still to transition staff, learners and arranging training functions to PTEs and Te Pūkenga include:
 - a. **Skills:** Remaining functions will transition to Te Pūkenga and various PTEs on 1 October. Skills covers a large range of arranging training functions, including civil defence, electricians, plumbing, gas fitting, and workplace health and safety.
 - b. **HITO:** Will transition to Te Pūkenga on 19 September 2022, including the arranging training functions for the hairdressing, barbering and beauty therapy sectors.
 - c. **Primary ITO:** Will transition to Te Pūkenga on 1 October 2022, including the arranging training functions for the agriculture, horticulture, food processing and other related fields.
33. Te Pūkenga enrolments, like those across the tertiary sector, have declined by 7,225 learners (-7.0%) enrolled at SAC level 3 and above in August 2022. This followed a significant increase of 14,045 learners (15.7%) between August 2020 and August 2021. Most of the decline was in lower levels of study, with level 3 accounting for 58% (4,200 learners) of the total decrease. There were enrolment decreases across all Te Pūkenga subsidiaries from August 2021 to August 2022, except for Universal College of Learning (UCOL), which saw an enrolment increase of 85 learners (2.2%). Open Polytechnic of NZ saw the largest decrease in learner numbers, which fell by 1,620 learners (-5.7%). Tai Poutini Polytechnic Ltd and NorthTec Ltd had the largest percentage decreases in learner numbers of all the subsidiaries from August 2021 to August 2022, decreasing by 29.3% (110 learners) and 18.7% (610 learners) respectively.
34. When unemployment is low, as it is currently, it is expected that demand for provider-based education and training will be reduced, while demand for workplace learning generally increases.

Private Training Establishments

35. Other providers such as PTEs will also continue to play an important role in the delivery of education to learners through arranging and delivering training.
36. As with Te Pūkenga, most of the providers within the PTE subsector have reported reduced enrolments compared to August 2021, with a total decrease of 1,810 learners (-4.6%) across the sub-sector, to a total of 37,235 learners in August 2022. Most of the decrease in enrolments was at level 4 – level 7 non-degree, which fell by 1,585 learners (-7.0%) in August 2022.

Micro-credentials update: improving relevance and responsiveness

37. The increasing use of micro-credentials is also ensuring that industry and employers have access to relevant, fit for purpose, flexible and quick-to-market training for your employees.
38. Micro-credentials reflect the skills that industry say are required. Learners participate in between 50 to 400 hours of learning and assessment (5 to 40 credits), with the micro-credential certifying the achievement of a coherent set of skills and knowledge. This makes it easier for quality-assured training and competency assessment to occur in the

workplace. In this way businesses can be sure that workers have the right credentials to do the job and workers have opportunities to develop valuable skills without having to enrol in full qualifications or take time out from work.

39. Micro-credentials are listed on the New Zealand Qualifications and Credentials Framework (NZQCF) and can be at any level of complexity (levels 1 to 10 on the NZQCF).
40. Micro-credentials can be stacked towards a future qualification as well as being a stand-alone product. So micro-credentials are a route to upskill and reskill workers at all stages of their careers. They can also be used to help a young person start their journey into your industry, and then transition into an apprenticeship.
41. The Ministry want business and industry to be demanding customers with high expectations of the vocational education system. Industry and employers should reach out to their respective WDC as the engine room of this change. They are tasked to set skills standards and develop qualifications and credentials that meet your needs.
42. NZQA is reviewing the NZQA Rules to reflect amendments to the Education and Training Act which came into effect on 1 August 2022, and to ensure the Rules remain up-to-date and fit for purpose. NZQA also present skill standard design principles, components, and sample standards for feedback.³

Apprenticeships

Apprenticeship Boost Initiative

43. The Apprenticeship Boost Initiative (ABI) continues to support firms to keep early-stage apprentices, and to hire new apprentices, as part of Aotearoa New Zealand's recovery from the economic impacts of COVID-19.
44. As of 26 August 2022, more than 50,500 learners have been supported by ABI. Around 8,700 learners are female, around 9,100 learners identify as Māori, and around 3,800 identify as Pacific Peoples. Demographic data on ABI is available from Education Counts, and is updated monthly.
45. In May this year, it was announced ABI would be extended to the end of December 2023. This extension provides for around another 24,000 apprentices to start getting Apprenticeship Boost support and some 14,000 to keep being supported beyond 4 August 2022, when the initiative was meant to conclude.
46. Since the launch of ABI, more than 18,900 employers have signed up, receiving over \$513 million in subsidies to support them in keeping their first and second-year apprentices employed and in training.

Targeted Training and Apprenticeship Fund

47. The Targeted Training and Apprenticeship Fund (TTAF) continues to support learners to undertake vocational education and training without fees. TTAF was initiated on 1 July 2020 and will run until 31 December 2022.

³ Feedback can be provided at the following link: www.nzqa.govt.nz/rules-consultation/

48. As of 31 August 2022, TTAF has supported over 150,000 distinct learners across a variety of industries and sectors that include, but are not limited to, conservation, construction, primary industries, electrical engineering, and road transport.
49. In the 2022 reporting year, over 60% of Equivalent Full-Time Students (EFTSs) were over 25 years old, and over a quarter of learners were female. Over 27,800 equivalent full-time learners identified as Māori (19% of EFTS) and over 13,550 equivalent full-time learners identified as Pacific peoples (9.5% of EFTS) (learners may identify with more than one ethnicity).

Apprenticeships trends

50. Apprenticeships offer a valuable career pathway that provide learners with on the job paid training while they gain skills and qualifications that lead to clear career outcomes. Overall, the number of apprentices is increasing. Between August 2021 and August 2022, the number of learners increased by 4,440 learners (6.7%) to 70,670. This represents a 51.2% increase from August 2020. This is due, in part, to a range of wage subsidy supports including ABI, and free apprenticeship training through TTAF.
51. Males continued to represent the majority of apprentices in 2022. The proportion of female apprentices has also remained consistent - increasing slightly from 15.1% in August 2021, to 15.4% of all apprentices in August 2022. The number of female apprentices increased 9.8%, from 9,940 learners in August 2021 to 10,920 learners in August 2022.
52. Most ethnic groups experienced an increase in apprentices between August 2021 and August 2022, with the proportion of learners identifying as Pacific peoples increasing by 18.5 % Learners identifying as Asian increased by 11.3%, and Māori learners increased by 10.1%. European learners saw a modest increase in 2022 of 3.9 percentage points. Overall, most apprentices identified as European (63.1%), followed by Māori (19.2%), Asian (9.0%), and Pacific Peoples (8.3%).
53. In addition, the number of apprentices aged 40 year or above has increased from 12% in 2020 to 14% in 2022. This is reflected in ABI recipients, of which 13% are aged 40 years or above, while the volume of delivery (in EFTS and STMS) for this age group is 22% of the total in 2022 (year to date).

Career support services for learners

54. Sound career advice and resources support learners and potential learners to make informed decisions that meet, not only the learner's needs, but also the skill and competency needs of industry and employers. The government is working to ensure that there is accessible and workforce relevant careers advice available to individuals at all stages of life.

Compulsory education level careers initiatives	
Service	Description
Inspiring the Future	Primary and intermediate school (aged 7-13) initiative that seeks to broaden young people's horizons and help challenge stereotypes that can limit their potential. (Ongoing)
Foundation Learning	To equip learners with the knowledge and skills needed for further learning and employment, and to fully participate in their local and global communities. (Ongoing)
Gateway for Schools	Gateway funding is designed to support learners' transition into the workforce by offering them workplace learning opportunities while at secondary school. (Ongoing)

Secondary-Tertiary Programmes	Secondary-Tertiary Programmes, commonly referred to as 'Trade Academies', provide senior secondary students access to a broad range of vocational learning opportunities which exposes learners to the world of work. (Ongoing)
Education to Employment/ Work-Integrated Pathways	Education to Employment supports the engagement of employers, business and industry with education (e.g. through school visits, mentoring sessions, online pathway events). This helps prepare learners for their transitions between education and further education and/or employment. (Ongoing)
Vocational Pathways Refresh	Refreshing the Vocational Pathways framework to better reflect the pathways for learners. This includes a refresh of the visual identity and name of the Vocational Pathways.
In-school support for Careers Education	Support for careers professionals to deliver careers education and guidance in schools (e.g. development of careers resources). This includes support for Education-to-Employment Brokers who liaise between schools and employers in their region to highlight local vocational opportunities for learners. (Ongoing)
Network of Expertise	Fund to support the development, leadership growth and sustainability of peer-to-peer networks of teachers and kaiako. CATE is funded to support development in the careers space. (Ongoing)

Other Careers Initiatives	
Service	Description
Careers.govt.nz	Careers information channel providing tools and information to support people of all ages to make decisions about their career throughout life. (Ongoing)
Tahatū	Lifelong online career planning tool for a diverse range of audiences aged 7-70+ that is culturally affirming, equitable, and learner-centred. (In development)
Education Services	A variety of education services to reach youth unable to access the schooling system (e.g. home schooling; education service in the Youth Court). (Ongoing)
Skills Highway	The WLN Fund provides funding for workplace literacy and numeracy courses via Skills Highway. Employers work with a local provider to increase literacy and numeracy capability to encourage progression and engagement at work. (Ongoing)
Direct Careers Guidance Services	Free, personalised careers guidance service that is delivered both over the phone and in-person. (Ongoing)
Job Hunter's Workbook	A workbook provided in 11 languages (English, Māori and Pacific) to support people looking to change careers or were displaced through Covid providing job hunting and careers advice. (Ongoing)
VET Campaign	Marketing campaign developed to improve the profile of, and shift people's perceptions towards, vocational education so that it is seen as a highly desirable and positive pathway into work. (Ongoing)
Pacific Work Connect	Free workshop-based programme to help Pacific migrants prepare for the New Zealand job market in Auckland. (Ongoing)

Careers initiatives from the Reform of Vocational Education

55. The Education to Employment Brokerage service (E2E) was an initiative outlined in RoVE which aims to raise the profile of vocational education as a highly desirable pathway to employment. The intention of the E2E service is to:

- strengthen connections between schools and employers,
- raise the awareness of young people (as well as teachers, careers advisors, parents, and whānau) of trades as a career pathway, and

- support students in the transition to higher education, training, and employment in their local labour market.
56. The delivery of the service has been enabled through an investment of \$6 million dollars over three years. 14 regional organisations employ 25 vocational co-ordinators to deliver the E2E service in their region. Vocational co-ordinators build strong local relationships with the business and school communities and liaise between schools and employers in their region to highlight local trades and vocational opportunities for students.
 57. Successful events to connect learners and employers across the country have been held resulting in good relationships being formed. These events and the work E2E does is supported by the secondary transitions principal advisors in the Ministry's regional offices that have direct connections to schools.
 58. An example of the E2E programme is Mainfreight and Manurewa High School; Mainfreight and Manurewa High School co-designed a programme that helps learners connect to the world of work while studying at school. It gives them an opportunity to gain sustainable and high-paid employment.
 59. Learners involved in the programme are contracted (and paid) by Mainfreight for 2 days each week. Their contracts require that they attend school on the other weekdays, to meet their study requirements.
 60. This initiative began in 2020. Eight learners completed the course and were offered roles with Mainfreight upon course completion. They have a great starting salary and lots of future opportunities to grow, keep learning and develop their careers. The initiative is ongoing, and a new cohort of learners are participating in 2021.