



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

May 2025

Education and Training Amendment Bill Consultation

30 May



Overview

- ▶ Quick Recap
- ▶ Implications of the Amendment Bill
- ▶ Comments and question
- ▶ Timeframes/next steps

Quick Recap

- ▶ ISBs will be set up from **1 January 2026**. They will be responsible for developing qualifications, endorsing programmes and moderating assessments over key industry sectors.
- ▶ Work Based Learning (WBL) divisions of Te Pūkenga (i.e. BCITO, Connexis, Earn Learn) will become temporary divisions of the ISBs for up to two years.
- ▶ Regional Polytechnics will be either independent or part of a federation model.
- ▶ There is an opportunity for new industry-owned Private Training Establishments (PTEs) to be established, offering work-based learning. Other providers (Polytechnics, private training providers, wānanga) will also be able to do other work-based training.
- ▶ The Minister has consulted on seven proposed ISBs. The proposal included separating construction and infrastructure. The consultation closed on 20 May and the outcome it yet to be announced.
- ▶ You are being invited to submit feedback on the Vocational Education and Training System Amendment Bill. The Select Committee process closes at **11:59 pm** on **18 June 2025**.

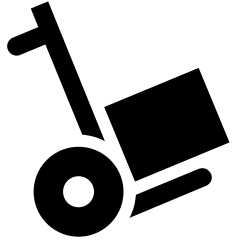


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Vocational Education and Training System Amendment Bill – Key Implications



Continuity & Transition



The rights, assets and liabilities of WDCs and WBLs will vest in the ISBs, including learners and programme.

Some WDC and WBL employees will be transitioned to ISBs.

Continuity & Transition – *more details*

- ▶ The Bill provides for the transfer of employees, rights, assets and liabilities:
 - ▶ From the WBL in to the ISBs
 - ▶ From the WDCs in to the ISBs
 - ▶ From the ISB-WBL arm into new and existing education providers once permanent arrangements for work-based programmes and learners are made.
- ▶ Programmes and learners will be transferred with the WBL into the ISB, with all existing arrangements retained.
- ▶ The transfer of employees will be at the ISB or successor organisation's discretion. MoE has signalled that the WBL to ISB transfer will be a 'lift and shift'.
- ▶ This will likely provide industry with some continuity over the next two to three years.
- ▶ There is still a lack of detail about several aspects of the process, and the Minister has significant power to direct the process. This creates several risks for industry.

ISB Functions



ISBs have a reduced 'Skills Leadership' role compared to WDCs.

Their role in providing advice to TEC is narrower and they are not expected to provide broader advocacy or support career pathways

ISB Functions – *more details*

Skills and Workforce Leadership

- ▶ **Leadership replaced with Workforce Planning** – ISBs will undertake strategic workforce analysis and planning. The broader 'leadership' function has been removed.
- ▶ **Advice to TEC** – ISBs can only provide advice to TEC on the 'mix of provision' (the volume and type of delivery). TEC does not have to give effect to this advice or explain why if it chooses not to apply the advice.

Gaps

- ▶ The ISB does not have a legislated role in:
 - Career pathways
 - Supporting inclusion for underserved learners.
- ▶ There is missed opportunity in terms of extending the opportunity to advise the wider government on workforce and skill matters. WDCs have advised Immigration NZ, MBIE and MSD.

ISB Functions – *more details*

Quality Assurance

- ▶ Moderation of assessment– Retained function. ISB **can** charge providers for related costs.
- ▶ Programme Endorsement – Retained function. ISB **cannot** charge for this. The implication is that programmes/providers that do not use standards will not make any financial contribution to the costs of quality assurance.

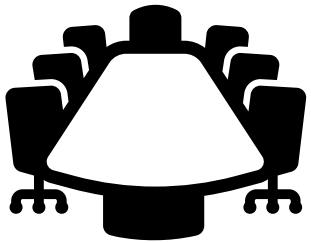
Qualification System Products

- ▶ Development of qualifications, standards, micro-credentials, capstone assessment and national curricula are retained as functions of the ISB.

Gaps

- ▶ The Amendment Bill does not do much to clarify the roles, responsibilities and accountabilities of standard-setting bodies, NZQA and TEC for monitoring provider performance.
- ▶ ISBs, like WDCs, have no explicit role to quality assure qualification or micro-credential **delivery**.
- ▶ The implications of this are ongoing potential for duplication of effort, and high costs, with limited improvements to quality or outcomes.

ISBs – Governance & Oversight



ISB Boards will include 2 Ministerial and 6 Industry Members.

ISBs will not have specific representation requirements but the focus on industry representation is similar.

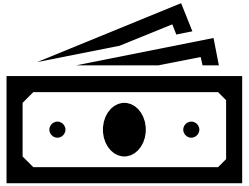
Compliance and reporting expectations are similar.

ISBs – Governance & Oversight – *more details*

- ▶ Each ISB Board will include two ministerial appointments. The remaining six members will be industry appointments.
- ▶ The main difference from some WDCs is the inclusion of Ministerial appointments and the lack of specific requirements related to representation for Māori, women or unions.
- ▶ The Bill does not specifically require industry representative groups to support ISB functions (e.g. Strategic Reference Groups). This could be provided for in Orders in Council – yet to be drafted.
- ▶ ISBs, like WDCs, are subject to the oversight of several government entities including TEC, NZQA and the Auditor General. Compliance and reporting requirements are similar to WDCs but funding is reduced.

ISB Funding

Up to 8 ISBs will receive \$30million, vs \$65million for 6 WDCs.



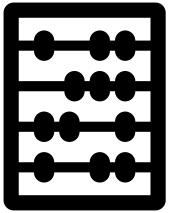
Functions, governance, compliance and reporting requirements are similar.

ISBs will be able to access additional funding by charging for moderation, and raising an industry levy (if agreed).

ISB Funding

- ▶ ISB funding is more than 50% less than the WDC funding (\$65mill vs \$30mill).
- ▶ The impact of reduced funding is further compounded by the proposed increased number of 'entities from 6 WDCs to 7 or 8 ISBs.
- ▶ ISBs will have avenues to supplement funding:
 - They may charge for quality assurance activities (fees will be confirmed by NZQA).
 - They may impose an industry levy, subject to industry support and approval by Order in Council
- ▶ Avenues for additional funding will come with additional compliance and reporting requirements, and therefore cost.
- ▶ An additional \$10 million is provided to support the ISB establishment.

Industry Levies



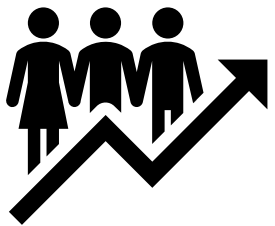
The threshold to introduce industry levies is lowered from 60% support to an approach based on industry benefit.

Complexities remain and detail is limited.

Industry Levies

- ▶ The Amendment Bill lowers the current threshold for introducing levies from 60% support to *'adequate consultation'* and *'feedback ... that supports the view that imposing the levy is in the interests of all members of the levy group'*.
- ▶ The Minister has signalled that industry can use levies to 'extend the range of activities' undertaken by ISBs (i.e. it is not expected to be required to carry out the core functions of an ISB).
- ▶ It is possible for an industry levy to have a narrow and specific focus both in terms of the occupation and industry, and in terms of its purpose.
- ▶ Many of the details like the method of collection would be specified in a levy order.
- ▶ Existing provisions to impose levies have never been utilised. It is unclear whether lowering the threshold would change this. Imposing a levy still comes with significant administrative and compliance requirements, and associated costs.

Māori and VET System Changes



Reduced consideration for Māori participation and success is at odds with the significance of Māori in the economy and workforce.

Māori and VET System Changes – *more details*

- ▶ Removes Te Tiriti o Waitangi obligations.
- ▶ Shifts from strong Māori-Crown commitments to general local relationships.
- ▶ Less focus and priority on Māori learner outcomes.
- ▶ Less decision-making opportunities and governance roles for Māori as the system is devolved.
- ▶ Wānanga could provide work-based learning.
- ▶ Why it matters:
 - **Skilled Māori workforce:** growing a Māori youth population is a key asset for future labour needs
 - **Responsive VET system for Māori:** aligns skills with industry needs and cultural context for successful project development
 - **High value of Iwi-industry partnerships:** demand is rising for joint ventures requiring stronger Iwi roles in governance and decision-making

WDC and ISB Comparison

| | WDC | ISB |
|--|---------------------------------|---|
| Functions | | |
| Skills Leadership | Yes | Workforce analysis & planning only |
| Advice to TEC | Yes | Yes – but reduced scope & TEC accountability. |
| Moderation | Yes | Yes – able to charge fees to support costs |
| Programme Endorsement | Yes | Yes – not able to charge fees to support costs |
| Career Pathways | Yes | No |
| Qualification, Standard & Micro-credential Development | Yes | Yes |
| Equity and Advocacy | Yes | No |
| Funding | | |
| Industry Levies | No | Yes – reduced threshold to introduce |
| Arranging training | No | Yes – for up to 2 years |
| Charging Fees | No | Yes – to providers for moderation Yes – for WBL programmes |
| TEC Funding | \$65mill for 6 WDCs | \$30mill for up to 8 ISBs <i>*Additional funding for WBL</i> |
| Governance | | |
| Membership | 8(+1) (specific representation) | 2 Ministerial, 6 Industry (broad representation) |

Management of Work-based Learning by ISBs



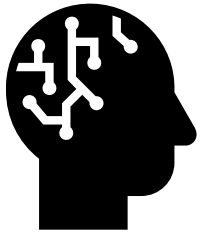
ISBs will manage WBL for up to two years, but with restrictions of enrolments where there is an alternative already in place.

There are implications for PTEs, ITPs and smaller ISB-WBL revenue

Management of Work-based Learning by ISBs

- ▶ Work-based learning divisions, and their programmes and learners, will be transferred to ISBs on 1 January 2026. WBLs will report to ISB Board while under the ISB.
- ▶ ISB-WBL cannot accept new enrolments without TEC's permission. TEC has signalled that ISBs will not enrol new learners unless there is no alternative (i.e. they are the only provider).
- ▶ Prior to transition, WBLs will share their IP across Te Pūkenga. This will position ITPs to establish new work-based learning programmes.
- ▶ Existing work-based learning PTEs will be able to continue. In some cases they will be an alternative to the ISB-WBL.
- ▶ The revenue of some WBLs will be significantly reduced if it cannot enrol learners into some programmes. This may create risks related to the viability of its wider operations, and to more marginal programmes that rely on economies of scale.

Transition of Work-based Learning



Process will take up to two years.

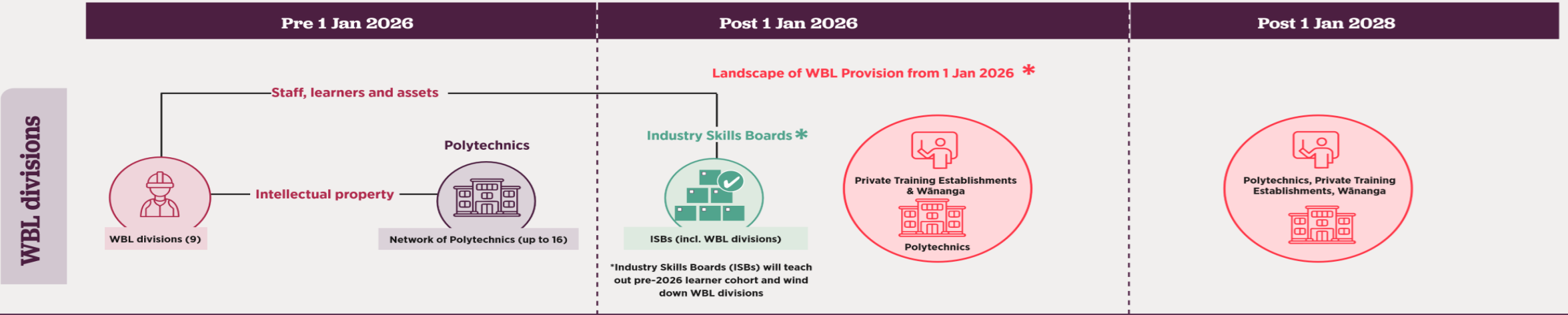
No specific provision for new PTEs or other providers.

ITPs and existing work-based PTES will be at an advantage and there are risks for smaller industries.

Transition of Work-based Learning – *more details*

- ▶ ISBs must plan for the transition of all work-based learning activities to new and existing tertiary education providers between 1 July 2027 and 31 December 2027, or earlier with TEC approval.
- ▶ ITPs and existing work-based learning PTEs may be advantaged by the proposed transition arrangements due to existing provision, scale and in the case of ITPs, the transfer of IP.
- ▶ The Bill provides no specific provisions for the establishment of industry-led PTEs. It is assumed that existing NZQA and TEC requirements will apply including:
 - Quality
 - Capability & Capacity
 - Financial
- ▶ There is a risk that smaller industries may be lost in the shuffle.

Work-based Learning Transition



Who can enrol where on 1 Jan 2026 through to 1 Jan 2028?

| | Polytechnics | Industry Skills Boards * | Other Tertiary Education Organisations |
|---------------------------------|------------------------------------|----------------------------|---|
| | Network of Polytechnics (up to 16) | ISBs (incl. WBL divisions) | Private training Establishments & Wānanga |
| 2021 – 2025 learner cohort | ✗ | ✓ | ✓ * |
| 2026 learner cohort | ✓ | — | ✓ |
| 2027 learner cohort | ✓ | — | ✓ |
| 2028 learner cohort and onwards | ✓ | ✗ | ✓ |

KEY

- ✓ Can enrol & accept learners
- ✗ Can't enrol & accept learners
- Can enrol & accept learners to cover gaps in the network

Learners

* The final number of Industry Skills Boards to be confirmed

* Only existing Private Training Establishments with currently enrolled WBL learners

What could this mean for your Submission?

Discussion.



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Timing and next steps



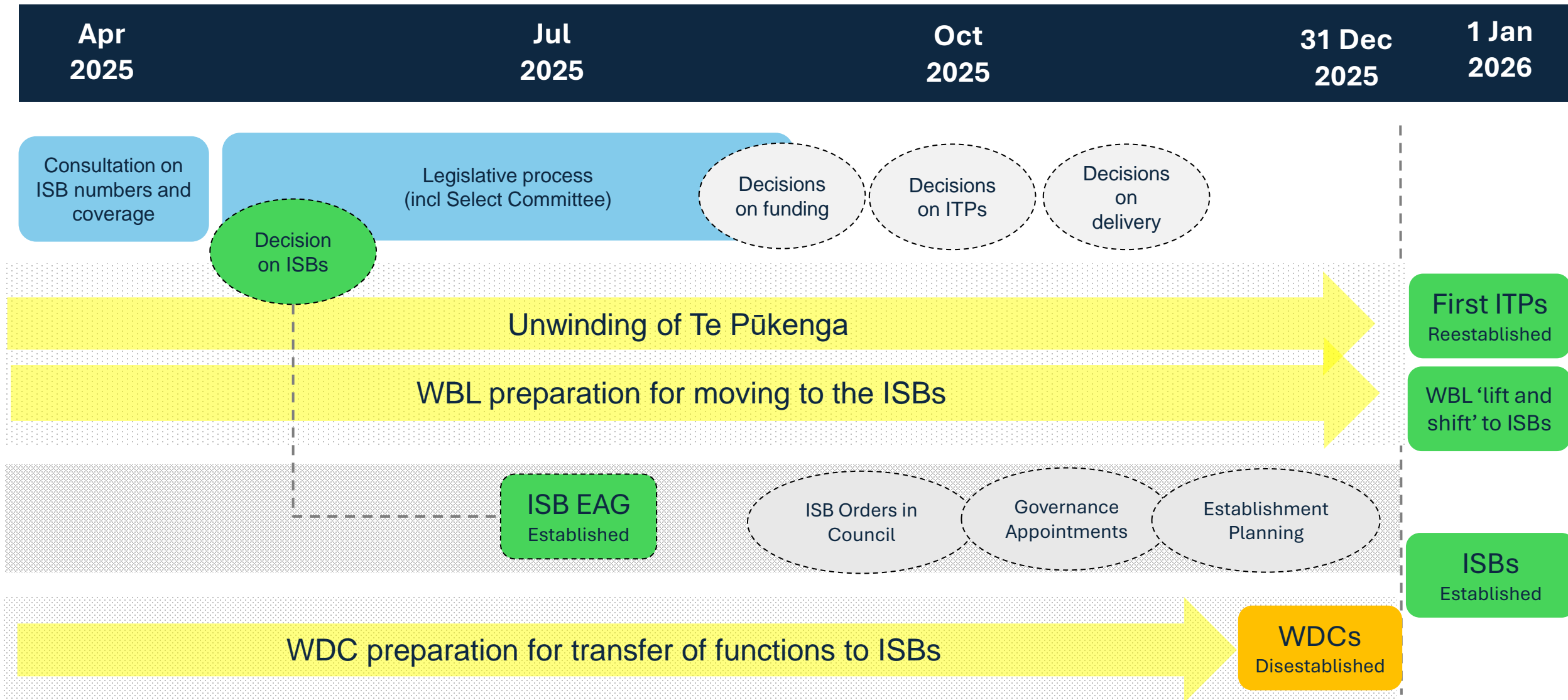
How can we help you?



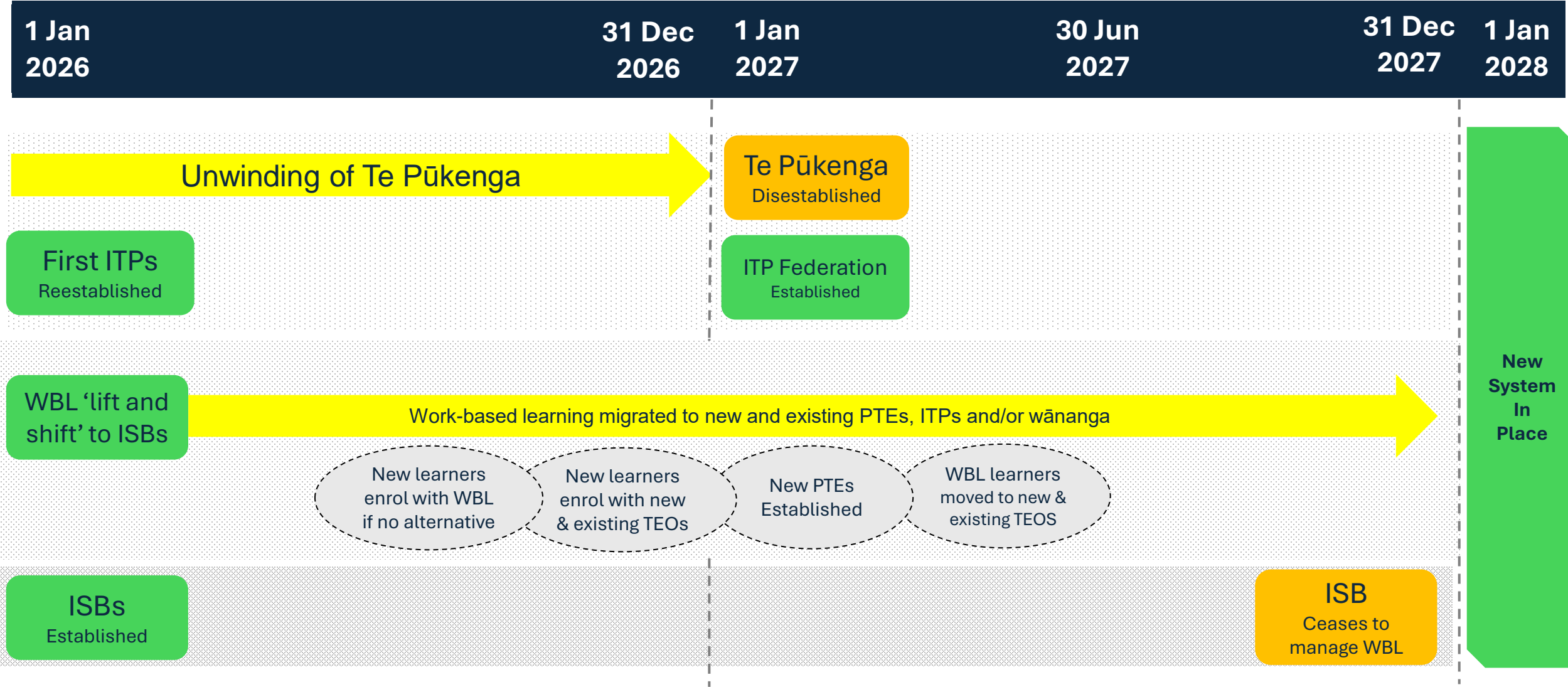
How can you be involved?

- ▶ **Submit** your feedback on the Education and Training Amendment Bill. The Select Committee process closes at **11:59 pm** on **18 June 2025**.
- ▶ **Industry bodies** to nominate **representatives to help establish the Industry Skills Boards**. Nominations are being sought by **13 June**.
 - Each ISB will have an Establishment Advisory Group (EAG) consisting of three members.
 - Candidates will need strong governance and change management skills, an industry background, and an understanding of education and training. [Help establish Industry Skills Boards | Tertiary Education Commission](#)

EXPECTED TIMELINE - 2025



EXPECTED TIMELINE – FROM 2026



Acronym Guide

ISB - Industry Skills Board

ITP - Institutes of Technology and Polytechnics

WBL - Work Based Learning

PTE - Private Training Establishment

WDC – Workforce Development Council

SRG – Strategic Reference Group

IP – Intellectual Property

TEC – Tertiary Education Commission

NZQA – New Zealand Qualifications Authority