



PSA Submission

Reform of Vocational Education Consultation discussion document

March 2019

About the PSA

The New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi (the PSA) is the largest trade union in New Zealand with over 70,000 members. We are a democratic organisation representing members in the public service, the wider state sector (the district health boards, crown research institutes and other crown entities), state owned enterprises, local government, tertiary education institutions and non-governmental organisations working in the health, social services and community sectors.

The PSA has been advocating for strong, innovative and effective public and community services since our establishment in 1913. People join the PSA to negotiate their terms of employment collectively, to have a voice within their workplace and to have an independent public voice on the quality of public and community services and how they're delivered.

PSA member networks, Te Runanga and sector committees have been invited to comment on the Amendment Bill and their views are appended. The PSA has also repeated illustrative comments in the body of this submission.

The PSA is an affiliate of the New Zealand Council of Trade Unions Te Kauae Kaimahi (CTU) and supports the submission of the CTU on the consultation discussion document.

The PSA's position

The PSA supports the key proposals of the consultation discussion document:

1. The redefinition of roles of education providers and industry training organisations (ITOs) and to extend the leadership role of industry through new Industry Skills Bodies (ISBs)
2. The bringing together of Institutes of Technology and Polytechs (ITPs)
3. Creating a unified vocational education funding system

The purpose of the vocational education reform is to better meet current and future challenges and to deliver better outcomes for New Zealand. We welcome the focus on providing people, especially those in lower skilled occupations and older workers, with the support and skills they need to thrive. We support that employers are asked to take on greater responsibility for workplace-based training delivery. We also support an inter-connected system which takes opportunities and risks seriously particularly regarding the future of work and workforce planning needs, migration, regional economic development, regional labour markets and welfare state reforms.

The PSA sees this consultation discussion document as a first step towards a system that delivers for all workers, learning workers and industries and labour markets in all regions. To ensure the realisation of the purposes of the proposal please consider the PSA's recommendations below.

Principles and recommendations

The PSA believes that vocational education and training (like any other form of education) is a **public good**. Therefore, collaboration should override competition to ensure intergenerational well-being and educational outcomes for all. The PSA supports a non-competitive VET system especially given that a competitive system has failed to deliver effectively in the past. We believe that access to public goods and services for all, especially for the disadvantaged and vulnerable, are impossible to realise when embedded in a competitive market.

The **workplace** should be the primary place where training is delivered complemented by classroom-based learning. This is particularly important for workers and learners with care responsibilities (often women) who might otherwise be unable to train. If training is predominantly shifted into the class room the intended educational outcomes for all will not be realised.

Recommendation 1: Reference a holistic understanding of employability

The point of VET is to **meet the needs of learning workers, employers and the industry** overall - now and in the future. Life-long learning and respect for a variety of skills and experiences is crucial and becomes even more central in the rapidly changing world of work.

If we see VET as a public good, we need to have a holistic understanding and approach towards its intended objective of creating employability. Employability as a concept should be emphasising both labour demand and supply factors. Employability cannot be narrowed to the qualities and competencies of a worker that an employer requires. A **holistic understanding of employability** should be based on

“the capability to move into and within labour markets and to realise

potential through sustainable and accessible employment. For the individual, employability depends on: the knowledge and skills they possess, and their attitudes; the way personal attributes are presented in the labour market; the environmental and social context within which work is sought; and the economic context within which work is sought.”

(in McQuaid R.W. and Lindsay C., The Concept of Employability, Urban Studies, Vol.42, No.2, 197-219, February 2005)

If the reform proposal on VET is to achieve fair and sustainable access and outcomes for all, the VET proposal needs to ensure employability over the life course from a holistic perspective (in contrast to a narrow supply side focus). Making sure that the learning workers' voice is present is essential to implementing employability holistically and for all.

Recommendation 2: Unions need to be a necessary actor within a well-functioning VET system

Apprenticeships and traineeships are employment relationships. This shouldn't be for educators or brokers to manage or administer. Currently unions don't feature explicitly at all in the consultation discussion document which is a grave concern. Employers and unions are experts in the industry and are well placed to discuss the future of work, engage in workforce planning, skills development and how to attract workers to specific jobs now and in the future. Above all, they are the two parties of the employment relationship and therefore the ones to negotiate and manage it. **Unions need to be included into the governance structure** of any proposal on VET reforms. For example, one option is to have union representation on future ISBs to include a collective, local voice of workers and learning workers. Workplace training needs to be developed, implemented and maintained through tripartite dialogue between employers, industry and unions.

Recommendation 3: Micro-credentialing needs to be strictly controlled and monitored if used at all

The PSA is critical about micro-credentialing. If used badly it can undermine career paths. Micro-credentialing tends to be task-based and in most cases linked to employer needs. Therefore, micro-credentialing can re-affirm and enshrine a VET system based on pure supply side needs for employability. A holistic approach respects the learning workers' needs and implements options to create and follow a career path.

Micro-credentialing doesn't encourage a career path based on continuous learning, acquisition of skills within industries which are and will continue to be transformed by new technologies and digitalisation. For example, if a company engages a person in VET, offers a permanent contract after successfully finishing VET and thereby a career path, the investment into the learning worker is of benefit to the company and to the industry overall. The system needs to avoid moving away from qualification-based training towards task-based credentials. To ensure equal outcomes, we need mechanisms that help to ensure that micro-credentialing cannot be used in isolation of minimum qualifications. Older workers, women, disabled people and migrants are particularly at risk because the employer might rather not invest in VET for them but only in micro-credentials as they might be leaving the workforce due to old age, care responsibilities, health issues or going overseas. **Micro-credentialing therefore needs to be controlled and monitored and could sit with ISBs for standard setting and assessment.**

Recommendation 4: The creation of an All of Government ISB

PSA members have reflected on a specific **All of Government ISB to enhance and strengthen the capability** to move into and within the public sector labour market (and beyond if desired). Such an All of Government ISB could contribute to realise a public sector worker's capability to tap into knowledge and skills they possess; the way personal attributes are presented in the labour market; the environmental, social, economic and cultural context within which work is sought. The All of Government ISB could thereby create and enhance public sector potential through sustainable and accessible employment.

Having said this we need to make sure that what isn't broke, won't get "fixed". Reform of ITOs may not be necessary to address issues that the Polytechs have been experiencing over past years. Further clarity in the impact of such reform for ITOs is essential. Our current members in ITOs are highly concerned about losing their jobs (see recommendation 5).

PSA members also suggested to consider a model of three Polytechs, e.g. Northern (based in Auckland), Central based in Wellington and Southern based in Christchurch. Such a model would have a better chance of staying in touch with regional communities and maintaining continuity for students.

Recommendation 5: Consider a staged or phased approach for implementation

PSA members (who are workers and learners within the current VET system) are concerned about the **tight deadlines and vague definitions** of the proposed new institutions. It is very challenging to roll out an encompassing reform proposal like this over a bit more than half year without having established yet what exactly the different organisations' roles and responsibilities are. We are concerned that change and transition management will not be prioritised in a massive restructuring exercise like this. Yet is crucial as it is likely to affect thousands of workers and learners. It might also affect the learning culture and continuity in workplaces and institutions. A mechanism needs to be built in that assures responsiveness towards sector needs, so it can try and adapt in line with future of work changes.

Model transition arrangements that allow for the transfer of affected staff, to maintain or improve terms and conditions of employment, and maintain institutional knowledge need to be put in place. Our members are asking for clear timelines and processes to negotiate potential re-assignment and training. Certainties need to be put in place to honour and preserve existing staff careers, health and wellbeing. Workers need to be assured they won't lose their job. Our members who are part of existing staff structures also request to be heard in future processes on VET.

Thank you for considering our submission.

For further information, please contact:

Andrea Fromm
Senior Advisor
Policy and Strategy
New Zealand Public Service Association
PO Box 3817
Wellington 6140
Phone: 027 5816170
Email: andrea.fromm@psa.org.nz