



**ROAD TRANSPORT FORUM NEW ZEALAND INC  
SUBMISSION  
ON  
REVIEW OF VOCATIONAL EDUCATION**

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# **SUBMISSION BY RTFNZ TO THE TERCINARY EDUCATION COMMISSION ON A REFORM OF VOCATIONAL EDUCATION**

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## **1.0 Road Transport Forum New Zealand**

1.1 Road Transport Forum New Zealand (RTF) is a nationwide organisation representing the road transport industry. The Forum provides services to and public policy advocacy for its affiliated members who comprise owner-drivers, fleet operators and international corporates engaged in freight and logistics.

1.2 The Forum's Constituent Associations include:

- National Road Carriers (Inc)
- Road Transport Associations NZ (Inc)
- NZ Trucking Association

1.3 The Forum's member associations have in excess of 3,000 members and associate members who operate approximately 17,000 trucks over 3,500 kg.

1.4 The Forum is the authoritative voice of New Zealand's road transport industry which employs 22,600 people (3.0% of the workforce), has a gross annual turnover of \$6 billion and carts over 70% of New Zealand's land-based freight on a tonnes/kilometre basis.

## **Comment**

2.0 The discussion document espouses bringing everyone along for the journey via its "*he waka eke noa*" sentiment and nothing could be further from the truth. The waka tīwai has been launched but not all are invested in the journey or its destination.

2.1 The Minister mentions in his Introduction the "*proposals are ambitious and necessarily so*". Page twelve of the discussion document has a Section, "*Employers need confidence the vocational education system will respond to their needs*". This section states further "*Employers need to be given,*

*and must take on, a greater leadership role in building more effective partnerships with education specialists.....”* On Page 20, second to last paragraph, document writers *“propose that industry skills bodies be industry led organisations, similar to ITO’s.”*

- 2.2 The discussion document advocates for change but essentially things remain the same. Yes, the vocational education sector is in drastic need of review. Not to the degree proposed. The proposals also are not really ambitious if they seek to institute the same structure under different titles and management structure to deliver the same outcome.
- 2.3 The one point we absolutely agree with (stated on Page 26) is the sentiment that *“Students could move around the country from campus to campus of the NZ Institute of Skills and technology (and potentially between other education providers too, if programmes were common across the sector) without interrupting their studies.”* Industry has strived for that in a variety of ways and the results of the TROQ review are beginning to pay dividends.
- 2.4 We are not sure about students transferring between campuses with impunity but to be able to do so the programmes and qualifications offered must be the same nationally. While we welcome that the goal can be achieved now by tuning the current structure.
- 2.5 Rigorous cost benefit analysis is absent from this discussion. Supposed benefits are clearly broadcast but only a cursory view has been applied. Negligible thought has been given to the impact businesses and learners will be subjected to. The cost to taxpayers in effecting the proposed change will be significant. The greater disruption will be to proposed beneficiaries and stakeholders. There will be significant cost to them and that has not been factored into the equation.
- 2.6 Most primary and associated sectors currently have a shortage in their labour supply. This is also true in the road freight transport sector where the estimate is we are around 4000 drivers short. Industry cannot afford the disruption proposed by the reforms at a time when the partnership with

industry and training is strong and our Industry Training Organisation is performing well.

- 2.7 Right at the time the world is adapting and changing in all areas, putting us back to a polytechnic based model is something we are very concerned about. ITOs provide cost efficient, high performing outcomes that are not currently matched by polytechnics.
- 2.8 The "*ambitiousness*" of this project is not in the changing of the entities/skill bodies involved. It is overly ambitious to disrupt the way training, education and qualifications systems operate. The timing for this industry could not be worse. This is especially so given the industry's current position and renewed dedication to improved training.
- 2.9 While the road freight transport industry has no apprentices, that is a future direction this industry is heading in. Throwing apprenticeships at the mercy of the failed polytechnic model is absolute folly. It will increase a reliance on overseas workforces, the very thing the Government wishes to avoid.
- 2.10 However, for our sector training is not the issue. It is how to transform on the job training to a legitimate and recognised qualification without introducing prohibitive cost or hassle for learners or employers. We are beginning to realise that goal now and these proposals jeopardise that.
- 2.11 Curiously, the Government seeks to create a new structure which is essentially modelled on the current one and expect a different outcome. The function of designing training and education tools and its delivery remains the same. The difference is new large organisations will be responsible for that rather than the existing large organisations. Government's oversight will be no different. Rather than put a little time and effort into addressing current issues with comparative ease the preferred option is to invest heavily in extensive burdensome structural change to achieve the same result.
- 2.12 The NZ Institute of Skills and technology would be governed by a national council appointed by the Minister of Education, overseeing a single

combined management team and balance sheet to manage capital and operational budgets, staffing and student and learning management systems. One national institution may make sense for polytechnics, but the same structure will distance the relationship between education and business. A large, bureaucratic institution which takes away the partnership model built with ITOs and industry, will reduce the ability for communication and coordination between government, business and training organisations.

- 2.13 Real progress has been made with our ITO, with the advent of 'micro credentials' which allow skills to be gained and recognised in isolation from longer classroom-based qualifications. This has worked particularly well in joining secondary schools to industry. Put a large, inflexible institution in the mix and everything achieved is at risk.
- 2.14 Our industry recognises the very real issues the Minister is grappling with. We can also see why it is tempting to group the efficient and effective ITO sector in with a total change. However, we suggest the ITO sector which makes up just 6% of tertiary funding should not be reformed currently. That can be assessed later once changes to polytechnics are bedded down and the benefits evaluated.
- 2.15 The proposed reform is one piece of a wider collective and joined up extensive education system. The detail missing from these discussions is improving the linkage between "feeder" regimes and programmes into vocational pathways. In a recent submission to government regarding immigration policy we mentioned the lack of feedback loops from industry to government. It is imperative a set of performance indicators be incorporated into the proposed system. In that submission we also noted that recruitment, retention, training and education are delicately balanced between each other and immigration policy. Some of that detail is missing from the discussion document. The more important information industry needs is how Government intends to improve the career pathways linkage.
- 2.16 The review fails to recognise education and training that is occurring in the workplace and the essential contribution to the vocational education

system. Road freight transport businesses have invested heavily in the opportunities offered by the TROQ review. Removing or changing that opportunity would be damaging to industry training. Government cannot keep tinkering with industry training and expect industry to adjust and keep abreast of that. The recent positive changes have come at significant industry investment and cost. The proposals only serve to increase that and will dull enthusiasm to participate.

- 2.17 The value the Government is seeking to inject is directly linked to the relationship industry has with training organisations. No amount of restructuring will strengthen that. The strength is in the relationship between employers, training providers and qualification developers.
- 2.18 To a large degree, historically, failure to engage with training facilities or qualification providers is resultant of poor customer service and ill-fitting training and products. This industry is positioned well with its ITO and while that relationship is not perfect no relationship ever is. The changes being promoted will not improve that. That is for industry and their ITO to resolve.
- 2.19 The conversation must go beyond reshuffling the deck and reassigning roles and responsibilities. The stark reality is that the current ITO system has a captive market with monopolistic design over industries. That should not be viewed negatively. If an employer wishes to work with an organisation outside that model approval must be obtained from the TEC. That reduces employer choice and dissipates any real responsiveness to employer desires. As mentioned, the current proposal changes nothing structurally. Employers still have the same limitations, only now ITO's will be rebranded, and employer options would now be to engage with polytechnics. The TROQ review introduced infinite possibilities for who an employer could work with in terms of training and its delivery. That is proposed to be taken off the board.
- 2.20 The vocational education system can be merged without the centralisation proposed. The purpose of the proposed restructure is to gain better control

over an underperforming education and training sector. There are a range of alternatives that would address current vocational training shortcomings.

2.21 Attending to key and mutually agreeable objectives offers a slightly different view of the problem. The key outcomes of the reform should be to:

- Create an attractive regime that addresses inequity and inequality
- Have industry driven and guided training and qualification
- Create a system that end users want to participate in
- Create a world leading and integrated vocational education system
- Capably manage disruption to all stakeholders created by the transition
- Clearly define roles, responsibilities and expectations

2.22 It is imperative the vocational training regime becomes more responsive to industry, employer and learner needs. Training requirements must be led by business and employers. The regime therefore must be more conducive to meeting reasonable employer demands and expectation. Life-long learning must also be incentivised. People must be able to progress their careers and given assistance to evolve. That is already offered in the current regime.

## **CONCLUSION**

We support the goal of rationalising the vocational training and education sector so that all qualifications and the way they are delivered are the same.

We do not support the proposed restructure.

It will be expensive for the taxpayer and end users.

There will be significant cost involved for all stakeholders

There will be significant disruption to services and industry may never fully recover from that.

Government cannot continue to whimsically make change without considering the wider effect and disadvantages.

The value the Government is seeking to inject into the training and qualification sector is directly linked to the relationship industry has with training organisations. No amount of restructuring will improve that. The strength is in the relationship between employers, training providers and qualification developers.

The issues the discussion paper seeks to address are very real and our industry has invested to remedy them

Wholesale change is not needed.

Fine tuning what we have already will deliver the results Government are so ardently pursuing.

We are aware of submissions being presented from Business NZ and MITO and support their objectives.

We welcome and invite the opportunity to discuss our submission further.