

<b>Submission on</b>	<b>The Education and Training (Vocational Education and Training System) Amendment Bill</b>
<b>Provided by</b>	Connexis - Infrastructure Work-Based Learning Division of Te Pūkenga – New Zealand Institute of Skills and Technology
<b>Provided to</b>	<b>Education and Workforce Select Committee</b>
<b>Date</b>	17 June 2025

## Introduction

1. Thank you for the opportunity to submit feedback on the Education and Training (Vocational Education and Training System) Amendment Bill. We support the Bill's intent to restore regional autonomy and industry leadership in vocational education and training.
2. This submission focusses on the future of work-based training and how the Bill can better support the Government's goal of a more efficient transfer of the nine Work-Based Learning divisions out of Te Pūkenga – New Zealand Institute of Skills and Technology while providing industries, rather than the Crown, responsibility and control over which entities deliver provision of work-based training<sup>i</sup>.

## Connexis – Work-based Learning Division of Te Pūkenga – New Zealand Institute of Skills and Technology

3. Connexis is the Infrastructure Work-Based Learning Division within Te Pūkenga – New Zealand Institute of Skills and Technology (Te Pūkenga). In 2021, as part of the Reform of Vocational Education (RoVE), Connexis was nationalised into Te Pūkenga from an Industry Training Organisation (ITO) that at the time was an Industry owned Charitable Incorporated Society.
4. Connexis develops and maintains training programmes, provides support to trainees and apprentices into their training programmes and through to completion. Connexis also supports employers to assist their employees to be successful in gaining their tertiary qualifications as a key part of an industry training agreement. Connexis maintains a quality management system to ensure academic rigor and consistency of outcomes, along with retaining and training the network of over 650 Connexis registered assessors that support the infrastructure work-based training system across New Zealand.
5. To grow the workforce and provide clear pathways into employment and training, Connexis partners with employers on key initiatives including Gateway, Women in Infrastructure – Girls with Hi-Vis®, scholarships, training awards, careers events, graduate celebrations and the annual electricity supply competitions at Annual Connection.

6. Connexis has continued to arrange and deliver training, uninterrupted, for the Civil Construction, Electricity Supply, Telecommunications and Water industries, while the VET system has continued to undergo structural changes for the past four years. Connexis has maintained its level of service to meet learner and employer needs and continued to evolve to meet the changing VET landscape with a focus on improving outcomes for all learners, achieving equity along with the wellbeing and safety of learners.
7. Connexis, like the other eight Work- Based Learning Divisions of Te Pūkenga, sits as a standalone division with its own organisation structure, senior leadership team, learner management systems, policies, procedures and financial reporting. Connexis continues to operate a financially viable operating model that supports critical training to the Infrastructure industries. Through this model of servicing the wider Infrastructure industries, Connexis is able to provide critical, high-cost, low-volume training that is essential to New Zealand’s infrastructure and public safety

**Proposal:**

8. We recommend the Bill be amended to:
  - I. recognise the nine Work-based Learning Divisions (WBL) of Te Pūkenga, ex-Industry Training Organisations, and explicitly provide an option to transfer Work-based Learning Divisions from New Zealand Institute of Skills and Technology (NZIST) directly into an industry-owned Private Training Establishment (PTE).
  - II. support the Government’s intent that the transition of Work-Based Learning Divisions (WBL) out of Te Pūkenga – New Zealand Institute of Skills and Technology be an industry-led process, as opposed to a Crown-led process.

**Rationale:**

9. The rationale aligns with the objectives for work-based training regulations as outlined in the Regulatory Impact Statement: Vocational education and training redesign – Work-based learning policy decisions<sup>1</sup>:

Strengthen Industry Involvement

10. Industry Training Organisations (ITOs) were nationalised out of an industry led and owned organisation into the crown owned entity Te Pūkenga. The advantages of ITOs were their ability to be agile and responsive to industry workforce needs in a manner that remains impartial to political considerations.

11. Returning these organisations into an industry led and owned PTE will not only meet the Government's intent of increased industry leadership, but it will also provide for the agility and responsiveness required to meet future workforce needs and increase productivity.
12. By embedding WBL within a PTE structure, that is accountable to industry stakeholders, we avoid the risk of commercial interests overshadowing learner and employer needs. This approach prioritises public spending in the targeted area of workforce development, ensuring that training delivery is driven by quality outcomes and long-term sector capability and investment rather than for short-term private financial gain.

#### Support Learner Success

13. The principle that industry training should be led by industry is for the benefit of the learner and the wider industry by ensuring training remains relevant, practical, and future-focused. This guarantees that learners are gaining skills that are relevant and transferrable across the industry and country, providing for career success and a skilled local workforce for New Zealand.
14. Learners within work-based learning are distinctive from full time students in that they are employed, and their learning environment is their workplace. The WBL model provides for learner support within their work environment and blended training that supports learning while earning.
15. The WBL divisions already provide this integrated and supportive training environment and a quick transition into an industry-owned PTE will provide for uninterrupted continuation of this service and support which is critical to learner retention and success.

#### Reduce Complexity and Increase Efficiency

16. The current Bill sets up a duplication of transfer activities for Work-Based Learning Divisions of Te Pūkenga, into and out of an Industry Skills Board, without acknowledging that some industries are already prepared to transfer their Work-Based Learning Division directly into a PTE in 2025.
17. For those industries who do not require a transitional period, within an Industry Skills Board (ISB), and who have already expressed intent to assume ownership of their WBL Division, the most efficient approach would be a direct, one-step transfer from Te Pūkenga into an industry owned PTE.
18. Requiring an initial transition into an ISB means that, within a short period, learners, employers and staff within the Work-Based Learning Division would face two consecutive transitions.

19. This duplication of processes would place a significant administration burden on the WBL Division as it would necessitate two separate transition plans and legal entity changes. Such complexity risks increasing confusion and stress for learners and employers, many of whom are already feeling overwhelmed by the continuous changes to industry training over the past four years.

Implemented quickly and increase certainty for all stakeholders

20. This one-step transfer of WBL Divisions into industry owned PTEs can be implemented more efficiently than the alternative pathway via an ISB, which will be undertaking its own structure setup and require prolonged engagement. This streamlined approach offers immediate clarity and stability for learners, employers, and staff, reducing the uncertainty that will accompany an extended transition period.
21. The vocational education sector has already experienced substantial reform in recent years which has yet to land an outcome. Introducing unnecessary transitional steps risks disengagement and burnout among stakeholders. A direct transfer into a PTE minimises disruption by building on existing relationships, systems, and processes. This will enable the sector to consolidate and work-based training to be focussed on growth, improvements and future workforce needs from 2026 rather than ongoing structural changes throughout 2026 and 2027.
22. Given the high levels of change fatigue amongst Work-Based Learning staff, learners, employers, and industry partners following the RoVE reforms, a quick and straightforward one-step transfer is essential. It returns industry training to be led by industry and allows all parties to shift their focus in 2026 toward the core goal: developing the skills needed to grow New Zealand's workforce for a healthy and prosperous New Zealand.

Ensure systems and structures remain sustainable

23. A sustainable vocational education system must be financially sound, operationally efficient, and responsive to evolving industry needs. WBL Divisions, with their established systems and resources, and demonstrated flexibility, are well-equipped to deliver viable, high-quality work-based training.
24. The transfer of WBL Divisions via a one-step process into a PTE, ensures the current systems, resources and people are retained in New Zealand's vocational education system. A two-step process, through an ISB, risks destabilising the system, losing resources and a system that becomes fragmented and unable to support those low volume, high-cost training programmes that are critical to building and maintaining New Zealand's infrastructure.

## Recommended Amendments to support Proposal:

### General Policy Statement:

25. The Bill's General Policy Statement requires amendment to acknowledge the transfer of nine Work-Based Learning Divisions that are currently standalone Divisions within Te Pūkenga, out of Te Pūkenga – New Zealand Institute of Skills and Technology and align with the Government's intent to be lifted and shifted into a successor organisation.

26. Further amendment is required to provide for the continuation of current WBL programmes and training that has been developed in partnership with industry, for industry.

27. Amendment: Page 1 - paragraph 3

"The Bill meets these objectives by amending the Act to disestablish Te Pūkenga – New Zealand Institute of Skills and Technology (Te Pūkenga), to re-establish a network of regional polytechnics, **transfer Work-Based Learning Divisions of Te Pūkenga into a successor organisation**, and to establish industry skills boards to replace workforce development councils (WDCs)".

28. Amendment: Page 1 – paragraph 4

"The Bill proposes a framework within ..... It also enables the provision of work-based training to be managed by industry skills boards for up to 2 years, allowing time for industry to **establish an industry owned entity to transfer their Work-Based Learning Division into, or alternatively** allowing for new provision to be developed by polytechnics, established private training establishments, and wānanga".

29. Amendment: Page 2 – paragraph 5

- "arrangements for membership ....
  - .....
  - ....
- **the transition of Work-based Learning Divisions of Te Pūkenga to transfer their operations, assets, activities, trainees and apprentices into a successor organisation:**
- The establishment of industry skills boards, including - ....."

### Schedule 1:

30. This schedule requires amendments to enable industry-led decision-making regarding the future of Work-Based Learning Divisions transferring out of New Zealand Institute of Skills and Technology (NZIST) to align with the Government's intent. Furthermore, to enable an efficient and timely transition to future state including an option for a one-step transfer of WBL Divisions into a PTE, as determined by industry stakeholders.

Part 7 – Subpart 1 – Transitional provisions relating to Te Pūkenga

31. Amendment: Page 50                      127 - Definitions for this subpart

“successor organisation, -

- a) in relation to a programme ....
- b) In relation to a training activity provided by NZIST on or before the transfer date, means an industry skills board **or private training establishment** that on and after the transfer date is responsible for continuing the training activity or any part of the training activity

32. Amendment: Page 53                      131 - Requirement to develop transition plan for training activities

“(1) As soon as practicable after commencement ....

- a) programmes, micro-credentials, and training activities provided by NZIST to 1 or more **successor organisations**; and
- b) any specified rights, assets, liabilities, or agreements of NZIST relating to those programmes, micro-credentials, and training activities to 1 or more **successor organisations.**”

Part 7 - Subpart 2 – Provision of work-based training by industry skills boards for temporary period

33. Amendment: Page 62                      155 – Enrolment of new trainees in training activities

**Delete all of clause 155 (1) – (3)**

NOTE - clause 155 is not aligned to the Government’s intent for industry to have responsibility and control over which entities deliver work-based training. As outlined in the Cabinet paper<sup>i</sup> the transition plan for Work-Based Learning divisions of NZIST into an ISB is for the purpose of allowing an industry-led process, as opposed to a Crown-led process.

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<sup>i</sup> Simmonds, P (2025). A Redesigned Vocational Education and Training System: Options for Workbased Learning. New Zealand Government. Wellington. URL [Cabinet Paper WBL](#) Accessed: 01 May 2025