

SUBMISSION ON

Options for the future of Work-based Learning

21 February 2025

To: The Ministry of Education

Name of Submitter: Horticulture New Zealand

Supported by: Strawberries New Zealand, New Zealand Apples and Pears, New Zealand Ethical Employers, Blackcurrants NZ, Vegetables NZ, Tomatoes NZ, Irrigation NZ.

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OVERVIEW

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Our submission

Horticulture New Zealand (HortNZ) thanks the Ministry of Education and the Tertiary Education Commission for the opportunity to submit on the Options for the future of Work-based Learning Consultation. We welcome any opportunity to continue to work with the Ministry of Education and the Tertiary Education Commission and to discuss our submission.

This paper has been circulated to horticultural product groups and district associations for feedback and was developed in consultation with vocational education and training stakeholders across the food and fibre sector.

The details of HortNZ's submission and decisions we are seeking are set out in our submission below.

HortNZ's Role

Background to HortNZ

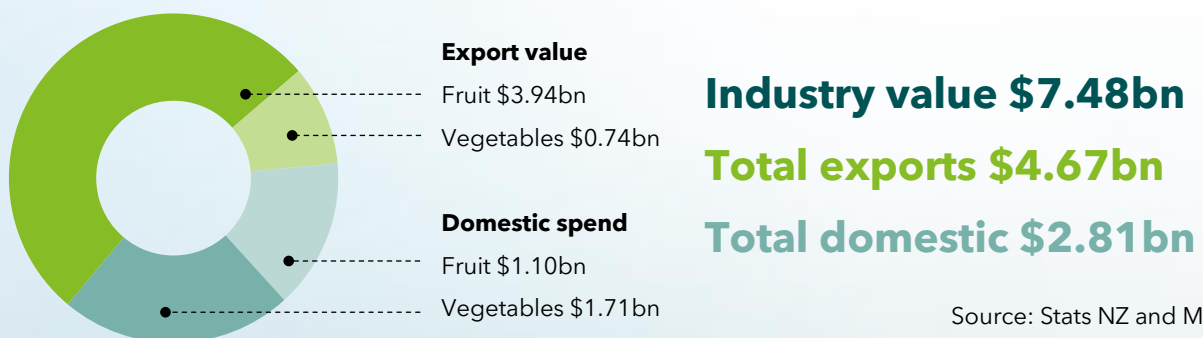
HortNZ represents the interests of approximately 4,200 commercial fruit and vegetable growers in New Zealand who grow around 100 different fruits and vegetables. The horticultural sector provides over 40,000 jobs.

There are approximately 80,000 hectares of land in New Zealand producing fruit and vegetables for domestic consumers and supplying our global trading partners with high quality food.

It is not just the direct economic benefits associated with horticultural production that are important. Horticulture production provides a platform for long term prosperity for communities, supports the growth of knowledge-intensive agri-tech and suppliers along the supply chain, and plays a key role in helping to achieve New Zealand's climate change objectives.

The horticulture sector plays an important role in food security for New Zealanders. Over 80% of vegetables grown are for the domestic market and many varieties of fruits are grown to serve the domestic market.

HortNZ's purpose is to create an enduring environment where growers prosper. This is done through enabling, promoting and advocating for growers in New Zealand.



Executive Summary

As stated in our submission in September 2024, Horticulture is a key contributor to Aotearoa New Zealand's prosperity. For us to achieve our aspirations, we need an education system, and a VET model in particular, that delivers a work ready and ready for work talent pipeline.

To ensure our growers can access a skilled, work ready and ready for work talent pipeline, we need a system strongly connected with industry and that leverages the \$900 million annually spent in vocational education to ensure:

- industry input into which programmes and qualifications get funded
- greater understanding of industry skill requirements and programmes that meet the skill needs
- a range of flexible training delivery options beyond what is currently offered in the classroom, online and in-work that recognises the input of employers and meets the needs of individual industries
- a strong quality assurance framework that ensures training programmes are fit-for-purpose; and
- an education system that is well co-ordinated and delivers on the skills requirements needed to achieve the Aotearoa Horticulture Action Plan (AHAP).

Work-based learning remains critical to the food and fibre sector

Work-based learning has a strong relationship with the horticulture industry and delivery is focussed in areas where there is need. Changes made to the vocational education system *must* support the continued connection between industry, delivery and skill need.

This means ensuring there is a flexible training delivery options that are fit-for-purpose in both work-based and campus-based modes.

HortNZ recommends the final design includes additional considerations

HortNZ would like to suggest the following additions to the proposal:

- Reforms must be focused on driving the system towards improving New Zealand's productivity, and developing the highly skilled workforce necessary for economic growth
- clear guidelines for what constitutes work-based learning
- remove duplication and onerous regulatory regime
- Industry Standard Boards (ISB's) maintaining standards remains their priority

- provider programmes should require ISB endorsement
- ISB's need a role in developing a core programme for qualifications
- ISB's should have workforce planning and strategy responsibilities beyond Level 6 to align with industry's workforce strategy
- Trades Academy and Gateway to be included with work-based learning
- work-based learning should be managed on a national basis
- funding allocations should value work-based learning and incentivise our employer's contribution to training (not assume these are free)
- remove the requirement for migrants roles to be on the Green List to receive TEC funding
- funding allocations to work-based learning should attract world-class technical expertise; and
- prioritise fit-for-purpose rules and regulations that remove barriers to employers' participation in vocational education rather than making it easier to tax growers more.

HortNZ supports Option B (Independent) over Option 2 (Collaborative)

There are aspects to both options that present challenges to the delivery of high-quality horticulture provision that meets industry and sector need. However we acknowledge the Government's intention to negotiate with the industry on re-establishing private entities and the ISBs, and will continue to work constructively with government agencies to ensure the model chosen can best meet industry need.

Overall HortNZ supports Option B (Independent) over Option C (collaborative). The main benefit of Option B is that food and fibre provision can remain integrated and centrally managed, fostering a stronger and more connected vocational system with industry.

An independent, nationally managed structure will better accommodate the needs of the horticulture sector. It:

- eliminates potential duplication of services across food and fibre provision
- allows for flexible service models, and
- provides greater input from and responsiveness to industry.

Option B also offers the opportunity for a single entity model of delivery that will better maintain existing provision and relationships. HortNZ, and our affiliated product groups, would not be able to sustain an extended network of relationships should provision be divided regionally or by tertiary education organisation type.

A single entity model allows for scale and national consistency in the delivery of our qualifications. It also limits the risk of fragmentation of funding allocations which would

likely result in reduced provision and the cessation of low-volume, strategically important programmes due to viability issues.

Dividing provision regionally or having the market split between polytechnics and work-based learning providers would also likely lead to significant inequity in terms of cost and access for more geographically dispersed work-based learning provision.

Our support for the independent model is conditional however on People*, Food & Fibre provision remaining within one entity. (*People refers to service-based sectors such as Arboriculture.)

Overall HortNZ believes the independent option offers greater benefits for food and fibre work-based learning, including:

- ability to maintain existing provision and sector relationships
- ability to retain Trades Academy and Gateway as key pathways
- expediency in programme development
- ability to achieve scale for strategically important delivery
- provides a single delivery point for pastoral care integrated with training support, carefully managing the time burden for employers and trainees
- better meeting the needs of rural learners; and
- greater transparency and industry input to provision.

Submission

1. The Horticulture sector needs a strong vocational education sector

As stated in our submission in September 2024, Horticulture is a key contributor to Aotearoa New Zealand's prosperity. For us to achieve our aspirations, we need an education system, and a vocational education model in particular, that delivers a work ready and ready for work talent pipeline.

To ensure our growers can access a skilled, work ready and ready for work talent pipeline, we need a system strongly connected with industry and that leverages the \$900 million annually spent in vocational education to ensure:

- industry input into which programmes and qualifications get funded
- greater understanding of industry skill requirements and programmes that meet the skill needs
- a range of flexible training delivery options beyond what is currently offered in the classroom, online and in-work that recognises the input of employers and meets the needs of individual industries
- a strong quality assurance framework that ensures training programmes are fit-for-purpose; and
- an education system that is well co-ordinated and delivers on the skills requirements needed to achieve the AHAP.

2. Work-based learning remains critical to the food and fibre sector

In 2023 there were nearly 7,525 learners in horticulture provision (using NZSCED broad field), with 3,035 (40%) in work-based learning and 4,485 (60%) in campus-based provision. The work-based provision directly benefits employers and our economy, where most of the non-work-based learners undertook a free qualification designed for home-gardeners.

Work-based learning has a strong relationship with our industry and is focussed in areas where there is need. It is vital that the changes made to the vocational education system support the connection between delivery and industry skill need. This means ensuring a range of flexible training delivery options that are fit-for-purpose in both work-based and non-work-based modes.

3. HortNZ recommends the final design includes additional considerations

HortNZ would like to suggest the following additions to the proposal:

- Reforms must be focused on driving the system towards improving New Zealand's productivity, and developing the highly skilled workforce necessary for economic growth
- clear guidelines for what constitutes work-based learning
- remove duplication and onerous regulatory regime
- ISB's maintaining standards remains their priority
- provider programmes should require ISB endorsement
- ISB's need a role in developing a core programme for qualifications
- ISB's should have workforce planning and strategy responsibilities beyond Level 6 to align with industry's workforce strategy
- Trades Academy and Gateway to be included with work-based learning
- work-based learning should be managed on a national basis
- funding allocations should value work-based learning and incentivise our employer's contribution to training (not assume these are free)
- remove the requirement for migrants roles to be on the Green List to receive TEC funding
- funding allocations to work-based learning should attract world-class technical expertise; and
- prioritise fit-for-purpose rules and regulations that remove barriers to employers' participation in vocational education rather than making it easier to tax growers more.

These are explained in more detail below.

3.1. Reforms must be focused on driving the system towards improving New Zealand's productivity, and developing the highly skilled workforce necessary for economic growth

The consultation paper lacks relevant information, data, and insights to fully inform stakeholders of the risk and benefits of the different options. However, HortNZ considers there is significant opportunity to strengthen the focus of work-based training on industry need, lift the performance of the system and ensure that high quality training is a platform for productivity, economic growth, and individual opportunity.

3.2. Clear guidelines for what constitutes work-based learning

There needs to be clear guidelines for what work-based learning is and isn't – in order to ensure funding is appropriately allocated and to ensure provision meets industry need.

3.3. Remove duplication and onerous regulatory regime

Irrespective of the structure, for the chosen option to function properly, it needs to be supported by well-designed rules and regulations. These will help to correct market failures, enable employers' confidence to undertake market transactions, and support innovation.

For a start:

- NZQA's rules will need to be reviewed to remove duplication between the ISB and NZQA and speed up the qualification and standard setting review processes and reduce compliance costs.
- Streamlined processes that reduce administration (e.g., learners enrolling in a suite of micro-credentials need to repeat the enrolment process for each micro-credential).
- Simplify enrolment process for employers.
- Reduce the workload of employer workplace assessors.
- Having agencies (TEC and NZQA) work in-step.
- Getting products to market sooner with concurrent development phases.

HortNZ recommends that there is a rapid review of the compliance settings of NZQA, with the view that suitable quality assurance settings and responsibilities could be allocated to the ISB's.

Replicating the existing settings with only structural reform will recreate the issues experienced previously e.g., the education sector focuses on working on lengthy approval processes for high-volume provision at the cost of delivering innovative training solutions to industry.

3.4. ISB's maintaining standards remains their priority

We are pleased to see ISBs will retain current strategic functions of Workforce Development Councils (WDCs) (Strategic Workforce Analysis and Planning; Investment Advice to TEC). HortNZ has valued the contribution of our WDC in providing workforce analysis expertise that would otherwise be unattainable.

It will also be important for the ISB to be held accountable for the availability and maintenance of up-to-date qualifications and standards as their primary function. For example, ISB's should be required to report on the outcomes of work programmes and statutory functions (e.g., the number of expired qualifications in use).

Even with additional funding and the removal of standard setting from the old Industry Training Organisations, there remain sectors who have expired and/or unusable qualifications and standards creating barriers to receiving a credentialed workforce.

We believe reviewing the rules governing standard setting will enable ISB's to be more effective and agile reducing the concern about them not performing their primary function. HortNZ recommends that there is a rapid review of the compliance settings of NZQA.

3.5. Provider programmes should require ISB endorsement

We are pleased that all providers of vocational education will be required to use the appropriate ISB qualifications and standards. We would like for ISBs to have final decision on programme endorsement in the proposal as well, with:

- A clear decision-making framework, including the option to decline; and
- mitigation of any potential reprisal from decline decisions.

WDC's currently endorse providers programmes.

We believe that programme endorsement will enable national consistency in the delivery of our qualifications.

3.6. ISBs need a role in developing a core programme for qualifications

The Ministry of Education should consider whether the ISB should have a role in developing a core programme for each qualification. This will avoid the need for each provider to develop their own, and a proliferation of programmes and subsequent duplication of education design resources that achieve the same qualification. It will also give industry greater control of consistency of delivery nationally and reduce cost in the vocational education and training sector.

We are concerned that low volume high value training provision will not have a programme and consequently not be delivered as programme development is an extra cost with a long or no payback period comparatively. Additionally, there could be a separate fund for the strategic development of programmes to reduce these barriers.

3.7. We recommend the ISB mandate extends beyond Level 6 qualifications

The Ministry of Education may also wish to consider extending the ISB mandate beyond Level 6 qualifications. There needs to be strong connections and pathways from secondary/transitions and foundation education into vocational education, as well as progression to higher education at Levels 7 and above.

Extending the ISB mandate would ensure these pathways are well supported and aligned to the industries workforce analysis, planning, and achievement of our strategic growth objectives.

3.8. Trades Academy and Gateway be included with work-based learning

Provision of vocational education in secondary schools is part of work-based learning delivery and needs to transition with work-based learning along with the funding from the Ministry of Education. HortNZ also recommends that the Ministry of Education provides additional funding for more trades academy places in the food and fibre sector. Trades academy provides a key pipeline and pathway for learners into vocational education.

Trades academy learners need to be retained within work-based learning provision where they already exist. E.g. the majority of trades academy food and fibre learners are with Primary ITO. We do not want this split regionally.

3.9. Work-based learning should be managed on a national basis

Work-based provision needs to be administered on a national basis (see current distribution in Appendix). We do not want provision divided regionally or the market split between polytechnics and work-based learning providers. While this may result in polytechnics achieving larger cohorts in their regions, it would likely lead to significant inequity in terms of cost and access for more geographically dispersed work-based learning provision.

3.10. Funding allocations should value work-based learning and incentivise our employers contribution to training

The proposals diminish the industry training sector by the intention to reduce funding and shift greater cost on to employers (likely to result in less growers engaged in formal training), increasing the rate at which employers will choose to forgo formal training.

The consultation document lacks a clear definition of pastoral care, and employers' roles in training their staff.

Employers' contributions must be recognised, and funding allocations should not assume that employers' contributions to training are free. Employers must pay learners while they train, pay for their fees, and provide pastoral care, skill development, and assess their competency. Work-based learning cannot be treated as inferior to polytechnic provision through lower funding levels or be funded using the same mechanism (e.g., volume based).

Funding rates for work-based learning must also:

- acknowledge the cost to serve rural and remote learners.
- should not be based on volume or credit values associated with the programme, but through an economic case with a funding brokerage model that would allow for more flexible, targeted training programmes
- invest in certified training linked to industry-backed standards, both bite sized and longer-term training
- reflect the impact of education for learners and not necessarily the delivery mode; and
- focus on industry and supporting government strategies such as doubling the value of food and fibre exports.

Addressing this gap could significantly enhance productivity and the quality of produce, benefiting both the economy and the food and fibre sector.

Case Study 1: Horticulture needs skilled, work-ready people

Employers need work-ready individuals to grow perishable food and ensure it reaches the end-consumer. These roles are often seasonal and attract a diverse range of people, but the quality of the resulting food depends on their understanding of what they are doing, why they are doing it, and the skills and speed with which they perform each practical task within a short but specific timeframe.

For example, a single cut of a branch can either result in no fruit, too many small tasteless fruits of low value, or the perfect amount of premium tasty fruit.

In 2023 HortNZ worked with the Ministry of Social Development to upskill future seasonal workers using a Level 2 Primary Industry Skills qualification. The qualification had too many learning hours to cater to most of these workers with the training taking longer than the job. A micro credential for this purpose was also considered, but the amount of administration compared to the funding available made it unsustainable.

The rules governing vocational education and funding do not allow for short-term, highly technical skills transfer that could directly contribute to higher productivity and the growth of our exports and the New Zealand economy.

With the support of the Ministry for Primary Industries, horticulture has invested in informal online [taster courses](#) to induct new people into horticulture. These types of solutions and initiatives should come out of and be backed by the vocational education system.

3.11. Remove the requirement for migrant roles to be on the Green List to receive TEC funding

Changes with the introduction of Te Pūkenga have meant that TEC funding is not accessible to migrants whose occupations are not listed on Immigration NZ's Green List. This forces the industry to navigate complex immigration rules to secure necessary funding for valuing and credentialing our immigrant workforce. TEC funding for migrant labour should not be contingent on rules created for a different purpose.

Further, migrants constitute a significant portion of our workforce, contributing to sustainable learner numbers within a volume-based vocational education funding system. HortNZ recommends reinstating funding for migrants engaged in work-based learning.

3.12. Funding allocations to work-based learning should attract world-class technical expertise

Funding for work-based learning must be appropriate, and training providers should be able to attract and retain high-quality tutors. High-quality tutors need to be paid at market rates, as we compete with higher-paid occupations for these skills. For example, horticultural consultants typically charge between \$100 and \$150 per hour and are unlikely to reduce their rates to become tutors whose salaries range between \$60,000-\$75,000 (\$30-\$40/hr) per annum (Seek), yet these are the skills we need in our work-based learning tutors if they're to effectively support our employers training their staff.

We also need to attract top talent from overseas to build the capability and quality of horticulture training, especially as professional consultancy services dwindle. The Ministry of Primary Industry has, independent to the education system, established its own career

pathway scheme to try and increase the numbers of advisors working for primary industry advisory businesses who are capable of supporting integrated farm planning. A strong vocational education system that values employers and learners and offers appropriate remuneration for training professionals with advanced technical skills delivered at commercial rates will support this important feeder sector into agriculture and horticulture.

New Zealand lacks the savings or capital to grow and maintain or improve its standard of living. A world-class skills pipeline is necessary to attract food and fibre businesses and capital into New Zealand.

3.13. Prioritise fit-for-purpose rules and regulations that remove barriers to employers participation in vocational education rather than making it easier to tax growers more

We are concerned about the proposed introduction of levies, which we see as another form of taxation targeting the industry and businesses that feed and grow New Zealand. For example, if you tax employers for work-based learning, will you also tax law firms for university students?

We are in a period of major instability with insufficient internal capital to grow. Our corporate tax rate of 28% is already well above the OECD average of 21%. Further food and fibre employers in New Zealand do not have the government subsidies to support food production that are available to growers in other countries such as the Common Agricultural Policy in the European Union. The reality is that New Zealand's support for farmers and growers is among the most meagre in the world.

Additionally, most learner fees in the horticulture sector are paid by employers, not the learners. This does not account for the time employers spend training their staff, the extensive additional personal workload associated with assessing their competence for credentialing or paying the learners salaries while they are in training and unproductive. Further costs shifted onto employers could make work-based learning unsustainable and create additional pressure on immigration channels for skilled workers.

It is crucial that rules and regulations are fit for purpose and that barriers to employers' involvement in credentialed education are minimised, rather than finding ways to tax employers more.

Case Study 2: Funding needs to be allocated to provision that supports economic growth

HortNZ submitted the business case to our WDC for the creation of a micro-credential in 2023/4. From the initial meeting after development approval to NZQA approval, the process took seven months, which is excessively long (but fast comparatively).

There was a delay in the provider developing the programme, so the credential is still not available. This is because the credentialed version is unable to replicate the preferred informal version. There is insufficient funding to compensate all parties and burdensome administration for providers, employers, and learners associated with being a credential. In the meantime, we continue to pay for informal delivery, with assistance from various charitable trusts such as the Fruitgrowers Charitable Trust and AGMARDT.

The course is for casuals overseeing seasonal workers. The provision is crucial for improving worker retention in the horticulture sector and providing pathways for progression to full-time employment.

Meanwhile TEC has funded thousands of learners through a free Level 3 General Horticulture Certificate that has little to no value to production horticulture or economic value to New Zealand.

4. Response to questions posed in the consultation document

4.1. Which of the two models - Independent or Collaborative work-based learning - does your organisation prefer?

Independent work-based learning with suitable accountability, levers, and influence of industry to steer the system.

4.2. Why will your preferred model work best for employers and learners in work-based learning?

Our industry is consolidating and facing increased climate risks, prompting businesses to diversify across multiple regions to maintain profitability and ensure domestic food supply. Often, training investments are managed centrally, making it untenable for employers to maintain provider relationships in multiple regions with inconsistent study programmes.

4.2.1. INDEPENDENT WILL LIMIT FRAGMENTATION AS WELL AS MAINTAIN EXISTING PROVISION AND SECTOR RELATIONSHIPS

The government's intention to avoid a recurrence of the early 2000s industry training environment, characterised by numerous small ITOs, supports our preference for the independent model.

Horticulture is served by the Primary ITO division of Te Pūkenga, and we support this division becoming an autonomous organisation that will manage national provision and deliver high quality work-based training for the food and fibre sector. HortNZ and our affiliated product groups, are not able to sustain the network of relationships required for our sector to support a fragmented vocational education system.

4.2.2. TRADES ACADEMY AND GATEWAY CAN BE RETAINED AS A KEY PATHWAY

In the independent model, we envision our sole work-based learning provider retaining contracts with the Ministry of Education for Gateway and Trades Academy. We value secondary-tertiary transitions and the national delivery and insights afforded by the independent model. If this option proceeds, we intend to enhance connectivity and learner pathways between secondary and tertiary education.

4.2.3. HORTICULTURE NEEDS SCALE AND EXPEDIENCY IN PROGRAMME DEVELOPMENT

Independence enables national provision, offering scale and expediency in developing programmes for People, Food & Fibre qualifications and standards. As noted in our previous submission on vocational education reforms, national provision allows for scale and supports low-volume, strategically important programmes. For example, national provision enables areas with larger student numbers to subsidise those with fewer enrolments, allowing employers in both regions to access relevant programmes and training for their staff.

4.2.4. INDEPENDENT MODEL WILL BETTER MEET THE NEEDS OF RURAL LEARNERS

An independent, nationally managed structure will better accommodate the needs of rural-based learners. It eliminates potential duplication of services across food and fibre provision, allows for flexible service models, and provides a single delivery point for pastoral care integrated with training support, carefully managing the time burden for employers and trainees.

In the collaboration model, there will be insufficient scale in most regions to prioritise horticulture provision over other industries. However, separating or splitting sectors of the Primary ITO work-based learning division of Te Pūkenga in the independent model would also lack sufficient scale, resulting in reduced provision and the cessation of low-volume, strategically important programmes. Our support for the independent model is conditional on People*, Food & Fibre provision remaining within one entity (*People refers to service-based sectors such as Arboriculture).

4.2.5. GREATER TRANSPARENCY AND INDUSTRY INPUT TO PROVISION

The government's intention to negotiate with the industry on re-establishing private entities means the independent model offers potentially greater transparency and control over provision. Additionally, provision will not be restricted by the same industrial relations rules that bind polytechnics, enabling more flexible delivery models suited to work-based learning.

4.3. What does your organisation think are the main benefits, costs and risks of each option for employers and learners in your industry?

4.3.1. OPTION B. INDEPENDENT

The main benefit of Option B is that food and fibre provision can remain integrated and centrally managed, fostering a stronger and more connected vocational system with industry.

Another advantage is that delivery and pastoral care will stay within the same organisation, preventing overcomplication and duplication.

Additionally, there will be greater transparency in our vocational education spending, and in collaboration with our ISB, we can focus on driving educational outcomes that support economic growth.

An independent organisation will not be constrained by industrial relations requirements that hinder the Polytechnic sector from implementing the flexible delivery models needed for the diverse primary sector production systems. This independent option will reduce the number of education system stakeholders, enabling the ISB and provider to concentrate on meeting the needs of employers and industry.

However, there is a risk that Polytechnics may take on provision where there is scale in their region, leaving the independent organisation with the costly low-volume delivery. There is also a risk that different People, Food, and Fibre sectors may split up, again leaving the independent organisation without the scale to fund their operations.

4.3.2. OPTION C. COLLABORATIVE

The main benefit of Option C is that it aims to address the collaboration challenges that existed between ITOs and polytechnics prior to Te Pūkenga. The ISB would effectively become what was an ITO, without the ability to facilitate training. Another advantage is that it links standard setting to the learner, potentially achieving a stronger connection between qualification and standard development and the real world.

However, Option C attempts to solve a symptom of the previous vocational education structure, rather than addressing the core issues such as the rules governing vocational education and our volume-based funding system.

Historically, there was insufficient funding to split between two entities, and the financial power imbalance between the two parties prevented these types of arrangements between ITOs and polytechnics. Furthermore, the arrangements were complex and not delivered at scale. For example, there would be four parties to the training agreement: ISB, provider, employer, and learner. What if the provider didn't have the skills to deliver? That would add a fifth role contracting into the Polytech to deliver on their behalf.

Historically, there were complications such as determining the best programme to use, ownership of the relationship with employers, responsibility for the learners, incentives for recruitment, where the learner information was held, ownership and access to data, and who was most appropriate to assess competence. Not to mention the confusion in the marketplace regarding who was doing what and why. If Option C were implemented, these decisions would need to be multiplied by each piece of work-based learning delivery for each sector, and then again for each polytechnic in all separate regions.

The risk is that Option C could further complicate a system that is already slow and suffers from overcomplicated rules. There are too many people taking a cut in a constrained funding environment. If the funding settings are not right, polytechnics may be incentivised to prioritise classroom-based learning over work-based learning, leading to perverse outcomes to retain all the funding.

Option B. Independent

Main benefits:

- Food and fibre provision remains integrated and centrally managed
fostering a stronger and more connected vocational system with industry.
Opportunity to create independent entity responsible for food and fibre training delivery, pastoral care, administration.

Essential for nationally coordinated delivery of food and fibre training, and ability to achieve scale for strategically important delivery.
- A single People, Food and Fibre ISB
To create a single People, Food and Fibre ISB responsible for industry engagement, programme and qualification development.
- Greater transparency and control of provision
Industry has potentially greater transparency and control over provision given the Government's intention to negotiate with the industry on re-establishing private entities.

This will result in industry having more influence over delivery models and performance, meaning industry can focus on driving educational outcomes that support economic growth.
- Delivery and Pastoral care stays within the same organisation
Pastoral care is integrated with training support and delivered through a single entity. This provides a clear role and set of responsibilities.
- Integrated secondary/tertiary partnerships and pathways
Ability to retain Secondary/tertiary partnerships and delivery (e.g. Gateway and Trades Academy) within the new delivery entity.

Costs:

- Introduction of levies.
- Standard setting is a regulatory function that should be funded by government.

Risks:

- Insufficient scale to achieve financial sustainability through a return to competition between the new independent entity and polytechnics.
- Separation of standard setting with provision
Whether the ISB is closely enough connected to provision to be able to make the right calls in setting standards.
- Inadequate funding of pastoral care
Pastoral care needs to be adequately funded.

- Inconsistent provision (access and programme type) if split regionally

In disestablishing the Primary ITO division and not replacing it with like nationally coordinated provision would result instead in regionally coordination and disconnect with the secondary/tertiary partnerships/pipeline. We do not want this split regionally as it would limit consistency and likely result in employers having to work with multiple regional providers.

The majority of trades academy food and fibre learners are with Primary ITO. We do not want this split regionally.
- Reduction in funding and greater cost to employers will see disengagement from vocational training

The intention to reduce funding and shift greater cost on to employers (likely to result in less growers engaged in formal training), diminishes the industry training sector and will likely result in employers choosing to forgo formal training.

Employers' roles in training their staff and providing pastoral care should be recognised and financially incentivised.
- Reduced funding for work-based learning will impact ability to attract and retain high-quality tutors

Funding for work-based learning must be appropriate, and training providers should be able to attract and retain high-quality tutors. High-quality tutors need to be paid at market rates, as we compete with higher-paid occupations for these skills. For example, horticultural consultants can charge \$200/hour and are unlikely to reduce their rates to become tutors, yet these are the skills we need in our tutors.

We also need to attract top talent from overseas to build the capability and quality of horticulture training, especially as professional consultancy services dwindle.
- Proposed introduction of levies is another form of taxation

This is like a tax law firms for university students.

Most learner fees in the horticulture sector are paid by employers, not the learners.

This does not account for the time employers spend training their staff, the extensive additional personal workload associated with assessing their competence, for credentialing, or for paying learner salaries while they are in training and unproductive.

Further costs shifted onto employers could make work-based learning unsustainable and create additional pressure on immigration channels for skilled workers.

Option C. Collaborative

Main benefits:

- Seeks to address collaboration challenges
It aims to address the collaboration challenges that existed between ITOs and polytechnics prior to Te Pūkenga. The ISB would effectively become what was an ITO, without the ability to facilitate training.
- Links standard setting to the learner
It links standard setting to the learner, potentially achieving a stronger connection between qualification and standard development and the real world.

Costs:

- Introduction of levies.
- Splitting up work-based learning into regions.

Risks:

- Additional cost burden for employers/industry
Standard setting is a regulatory function that should be funded by government. There is no appetite to add additional costs to industry to cover a regulatory function.
- Lack of nationally focused delivery and consistency
Having work-based learning structured regionally would break up national delivery and consistency. It would result in:
 - employers (particularly large, national multi-site employers) having to work with multiple regional providers
 - some regions not having provision
 - provision being too costly to deliver.
- Lack of accessibility
There is a risk that Polytechnics may take on provision where there is scale in their region and not take on provision where there isn't.

It would also lead to significant inequity in terms of cost and access for more geographically dispersed work-based learning provision.
- Unnecessary duplication and additional compliance
Having pastoral care split from delivery would result in a lot of unnecessary duplication and additional compliance - without any measurable benefit. For example:
 - duplicate information requirements and compliance for learners and employers
 - twice the number of visits (and time requirements) to accommodate to support trainee learning
 - training agreements requiring a further (and 4th) party to agree
 - confused responsibilities for pastoral care and learner success attribution; and

- duplication of industry or pastoral care specific knowledge (Pastoral care providers need to have some knowledge of the training material and content to be able to provide sufficient support).

A national ISB provider's staff would have to have knowledge across multiple programmes across multiple regions.

This has been tried at ITO where Training Advisors were pastoral care specialists and not subject matter which was of little use to employers.

Also, WDCs don't have this function currently, so would require additional roles/cost to establish and upskill.

Implementation of the collaborative model would bring back complications such as determining the best programme to use, ownership of the relationship with employers, responsibility for the learners, incentives for recruitment, where the learner information was held, ownership and access to data, and who was most appropriate to assess competence. Not to mention the confusion in the marketplace regarding who was doing what and why.

- Potential duplication of qualifications

If everybody across the country is developing their own programmes there significant likelihood of huge duplication of education design resources and proliferation of programmes - all to achieve the same qualification.

It will result in a lack of consistency of delivery nationally and unnecessarily increase the cost in the vocational education and training sector.

- Limited or no ability to deliver low volume but strategically important provision

low volume high value training provision will not have a programme and consequently not be delivered as programme development is an extra cost with a long or no payback period comparatively.

- Inadequate learner access - particularly for rural learners

This option prioritises delivery based in urban areas and would likely result in TEOs not able to adequately service the rural market - it assumes a more campus-based process rather than a mobile out to the learner model.

This will severely impact delivery for the Food and Fibre sector - which has substantially more (and necessarily so) rural-based delivery.

- Proposed funding differential will result in confusion and unnecessary competition

The proposal offers a significant funding differential between work-based learning and standard. This could likely result in unnecessary competition for access to funding with ITPs not wanting to split funding with ISB and driving delivery models that don't support industry. ITP is doing the recruitment and will put learners where they're going to generate the most profit - and that not sharing it with the ISB.

- Reduction in funding and greater cost to employers will see disengagement from vocational training

The intention to reduce funding and shift greater cost on to employers (likely to result in less growers engaged in formal training), diminishes the industry

training sector and will likely result in employers choosing to forgo formal training.

Employers' roles in training their staff and providing pastoral care should be recognised and financially incentivised.

- Reduced funding for work-based learning will impact ability to attract and retain high-quality tutors

Funding for work-based learning must be appropriate, and training providers should be able to attract and retain high-quality tutors. High-quality tutors need to be paid at market rates, as we compete with higher-paid occupations for these skills. For example, horticultural consultants can charge \$200/hour and are unlikely to reduce their rates to become tutors, yet these are the skills we need in our tutors.

We also need to attract top talent from overseas to build the capability and quality of horticulture training, especially as professional consultancy services dwindle.

- Proposed introduction of levies is another form of taxation

This is like a tax law firms for university students.

Most learner fees in the horticulture sector are paid by employers, not the learners.

This does not account for the time employers spend training their staff, the extensive additional personal workload associated with assessing their competence, for credentialing, or for paying learner salaries while they are in training and unproductive.

Further costs shifted onto employers could make work-based learning unsustainable and create additional pressure on immigration channels for skilled workers.

- Proposed collaboration doesn't resolve the core issues

Option C attempts to solve a symptom of the previous vocational education structure, rather than addressing the core issues such as the rules governing vocational education and our volume-based funding system.

Historically, there was insufficient funding to split between two entities, and the financial power imbalance between the two parties prevented these types of collaborative arrangements between ITOs and polytechnics.

4.4. Both models will involve a transition process but this will be different for each. What will be the critical factors in making transitions work for your industry

Prior to any transition, it will be critical for the rules and regulations governing work-based learning to be reviewed because solving the issues related to the regulatory regime will have a dramatic positive impact on either structures performance.

Further, the funding system should be designed ahead of the finalising the structure as funding is an influential lever in getting the all the players and market to respond as desired. The success or failure of either structure for the Food and Fibre sector is entirely dependent on the funding system that underpins it.

The consultation document lacks a transition roadmap for each option. The transition process should include a generous timeline for moving from Te Pūkenga to a new entity, support mechanisms for students, employers, and providers during the shift, and an industry consultation process to ensure smooth implementation.

4.4.1. OPTION B. INDEPENDENT

A critical factor for horticulture is being involved in the creation of the new independent entity and the ISB. We do not anticipate any disruption to delivery or the experience of employers and learners. Our vision is that the People, Food & Fibre work-based learning unit of Te Pūkenga would be transferred into a single national charitable incorporated society with industry membership. This would be like Primary ITO, but without the standard-setting function, which would be provided by the ISB.

We would collaborate with the government on the classification of this organisation, whether it be a Private Training Establishment or a new type of recognised entity. The new People, Food & Fibre work-based learning entity would become the provider for the primary sector, from schools through to tertiary education, regardless of employment status. The entity would adopt highly flexible delivery models and invest in training based on the strategic needs of the industry, as informed by the ISB.

4.4.2. OPTION C. COLLABORATIVE

Given work-based learning would be fragmented regionally, there would be significant upheaval for everybody in the system.

A critical factor for horticulture is ensuring that food and fibre provision is not fragmented regionally in the implementation of Option C. Our vision is to keep all provision delivered by the People, Food & Fibre unit of Te Pūkenga together and transfer it under one polytechnic responsible for national People, Food & Fibre provision. We would advocate strongly for pastoral care to be retained as part of this transfer. If it were not, we presume that most of the People, Food & Fibre division of Te Pūkenga would end up working for the ISB delivering pastoral care.

Appendix: Current horticulture work-based learning

Horticulture - Active work based learning locations

