

# **SUBMISSION ON** Vocational Education Proposal

12 September 2024

**To:** Ministry of Education and the Tertiary Education  
Commission

**Name of Submitter:** Horticulture New Zealand

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# OVERVIEW

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## Our submission

Horticulture New Zealand (HortNZ) thanks the Ministry of Education (MoE) and the Tertiary Education Commission (TEC) for the opportunity to submit on the future of the vocational education system in New Zealand and welcomes any opportunity to continue to work with the Ministry of Education and the Tertiary Education Commission and to discuss our submission.

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

# HortNZ's Role

## Background to HortNZ

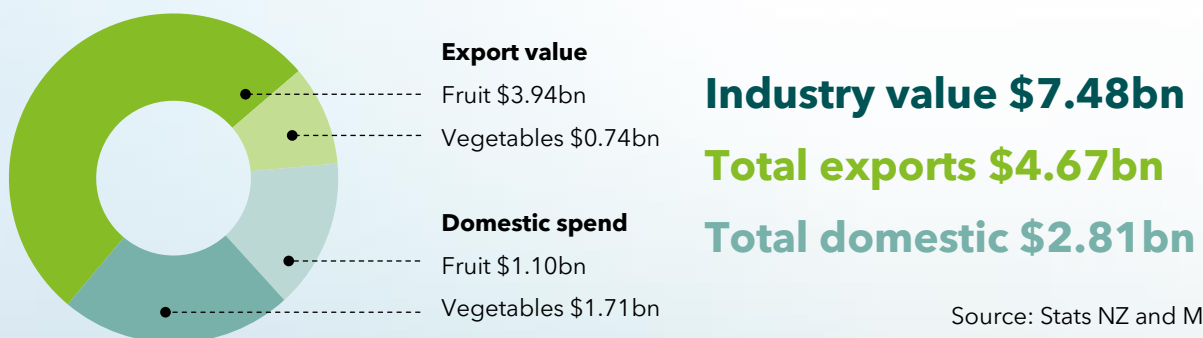
HortNZ represents the interests of approximately 4,200 commercial fruit and vegetable growers in New Zealand who grow around 100 different fruits and vegetables. The horticultural sector provides over 40,000 jobs.

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

HortNZ welcomes the opportunity to continue to work with education agencies to ensure the vocational education (VET) system enables learners to access high-quality training provision that is aligned to sector needs.

HortNZ understands the MoE and TEC are seeking feedback on three parts of this proposal:

**Proposal 1:** Creating a healthy ITP network that responds that responds to regional needs.

**Proposal 2:** Establishing an industry-led system for standards setting and industry training.

**Proposal 3:** A funding system that supports stronger vocational education.

Our submission follows the structure of the template provided by the MoE to support comparable analysis with other submitters.

## Summary points

The proposal is not a vision which will support the government's aspiration to double primary exports by value. One grower referred to it as very much like "adjusting the deck chairs on the Titanic". The proposal, as currently articulated, needs significantly more work in order to work for the food and fibre sector and, in particular, for horticulture.

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.

Workplace-based learning is critical to the horticulture industry. The on-job training has a strong relationship with industry and is focussed in areas where there is need. However, the funded campus-based and extramural provision has not necessarily focussed on programmes that support industry need or increased productivity.

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 courses 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)<sup>1</sup>.

This requires a national, integrated, system-level delivery model that:

- enhances the connectivity between vocational education and industry strategies, such as the AHAP
- clearly articulates the role and value proposition for all tertiary education organisation types
- maintains a strong workplace-based delivery function and invests in strategically important provision
- provides national operational oversight from qualification development through to training delivery
- offers a range of flexible training delivery options
- ensures employers and learners in remote communities are connected beyond the campus
- is well connected into the secondary and university education systems; and
- recognises the differences in learner need and provides adequate supports.

This needs to be enabled by an equitable funding model that values workplace-based and strategically important provision. This means a model that:

- has a strong workplace-based delivery function that is maintained and funded appropriately
- funds standard-setting independently and is not volume-based
- supports strategic investment, promotes innovation, and education provision excellence (e.g. as through the current Strategic Component and Learner Component funding), especially where volume-based funding falls short - not recognising the social or economic impact of non-standard delivery
- incentivises collaboration between government, private sector, and educational institutions; and
- recognises and funds non-traditional educational delivery methods and alternative credentialing systems.

The delivery and funding models then need to be underpinned by system infrastructure that supports industry goals. This requires:

- Responsive, industry-led standards setting, strategic analysis and advice and formalised input into funding decisions, as is provided by the Workforce Development Councils (WDCs) currently. This provides:
  - evidenced-based system-wide analysis and advice
  - national oversight by industry into the development of qualifications, standards, awards and programmes
  - specific investment in workforce an analysis and planning in order to match vocational education with industry need
  - industry input into central funding decisions; and
  - a centralised engagement and communication channel between industry and government.
- A research and innovation function partnered with industry, as is the Food and Fibre Centre of Vocational Excellence (FFCoVE), that:

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<sup>1</sup> [Aotearoa Horticulture Action Plan](#)

- explores and responds to industry, employer, community and ākongā (student) needs; and
- partners with industry to develop and test new educational models and technologies.

There are several issues and risks with the proposal as currently outlined.

- The proposal seems focussed on the short-term. There is a need for an enduring, bipartisan response to the VET system needs, with a long-term horizon, in order to meet the goals of AHAP.
- The costs of more change and any expected return on that investment is not provided.
- There is also not adequate recognition of the negative impact of yet more change on the VET system - in terms of:
  - learning delivery workforce and the potential loss of teaching expertise and capacity; and
  - in industry and employer partnerships and the key role these play in delivery and planning.
- There is an assumption of ITP regionality with no mitigations proposed to ensure this.
- Discussion on the proposed federation model does not cover key operational aspects like:
  - Whether it will support provision to learners in rural or remote setting
  - How the decision-making will operate or responsibilities be shared
  - How the role of online delivery within the ITPs can be focussed to avoid duplication of services and provision; and
  - How the costs of technology infrastructure incorporation, as seen with the Te Pūkenga model, will be remedied.
- There is no acknowledgment of the gains made over the last couple of years through the Unified Funding System (UFS) and the supports available for new and innovative programmes, learning support for diverse learners, and funding rates that ensure financial viability for workplace-based delivery.

# Submission

## 1. Horticulture is a key contributor to Aotearoa New Zealand's prosperity

The Government has set the aspirational goal of becoming an exporting powerhouse by doubling the value of our exports in ten years. The food and fibre sector, including horticulture will be pivotal to achieving this goal.

Aotearoa New Zealand's commercial horticulture sector feeds New Zealanders and is a major contributor to the national economy, regional economies and communities. It's a significant export earner as the third largest and highest growth food and fibre export, returning more than \$7 billion annually in total farmgate sales.

The Aotearoa Horticulture Action Plan (AHAP)<sup>2</sup> builds on this success and sets out a plan to respond to new challenges, nurture innovation and workforce with the aim of increasing grower returns and double the value of export revenue by 2035. This aligns strongly with the Government aspirational goal of becoming an exporting powerhouse by doubling the value of our exports in ten years.

However, for us to achieve our aspirations, we need an education system, and a vocational education (VET) model in particular, that delivers a work ready and ready for work talent pipeline.

### 1.1. The current state of VET horticulture provision

In 2023, around 57% of domestic students were in vocational education. This means the proposed changes will have a significant impact on our education system and its ability to deliver the training and skills needed.

Our growers, and the food and fibre sector more broadly, need a system that is properly integrated, where delivery meets the needs of employers and learners alike.

### 1.2. Workplace-based learning is critical to the horticulture industry

For our sector, in 2023 there were nearly 7,525 learners in horticulture provision (using NZSCED broad field), with 3,035 (40%) in on-job training and 4,485 (60%) in campus-based provision.

The on-job training has a strong relationship with industry and is focussed in areas where there is need.

However, the funded campus-based and extramural provision has not necessarily focussed on programmes that support industry need or increased productivity.

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<sup>2</sup> [Aotearoa Horticulture Action Plan](#)

For example, in 2023, of the 4485 learners enrolled in campus-based horticulture programmes:

- **70%** (3170 learners) of this delivery were in the New Zealand Certificate in Horticulture (General) (Level 3) NZ2677 - equalling a minimum \$15 million in funding.  
Enrolments in this qualification have rapidly increased over the last few years, and data analysis reveals the provision is mostly extramural with over half the learners 40+ years old. This suggests the qualification has mainly been taken up by hobbyist gardeners.
- This leaves approximately **30%** in production-focussed qualifications - the more industry focused and valued qualifications.

As noted in the *2025 Investment Plan* advice to the TEC from Muka Tangata,<sup>3</sup> our growers don't use the "General" qualification. Instead, there is a strong preference for other production focused programmes that provide industry-specific skills and have clear pathways into specialised roles or further training that meet our workforce needs.

## 2. What horticulture needs from the VET system

To ensure our growers can access a skilled, work ready and ready for work talent pipeline, we need a system strongly connected with industry. This requires industry to have a significant role in the design, delivery and distribution of funded provision.

### 2.1. We need a national, integrated, system-level delivery model [Proposal 1]

The report *21st Century Delivery and Assessment of training in the food and fibre sector in New Zealand* states "Future training systems will need to have flexible programme structures and utilise a variety of delivery methods and assessment approaches, instead of relying solely on historical teaching methods. This adaptability will be crucial in meeting the ever-evolving needs of learners, employers, and industries."

This means we need a delivery model that:

- Enhances the connectivity between vocational education and industry strategies, such as the AHAP.
- Clearly articulates the role and value proposition for all tertiary education organisation (TEO) types - not valuing one over the other. The proposal unduly focuses on the roles of ITPs and the viability issues faced by the polytechnics. The current and continued financial viability of workplace-based delivery is ignored.
- Maintains a strong workplace-based delivery function and invests in strategically important provision.
- Provides national operational oversight from qualification development through to training delivery needs across horticulture sectors and regions enabling efficiencies and provision in remote areas.
- Offers a range of flexible training delivery options beyond what is currently offered in the classroom, online and in-work; that value the commitment and role of employers in training provision. This needs to be underpinned by an industrial

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<sup>3</sup> [2025 Investment Plan advice to the TEC from Muka Tangata](#)



relations model that is flexible enough for workplace-based or rural delivery e.g. flexibility in terms of time of day, time of year (season) and in time off-job is vital for growers being able to keep their businesses running, while ensuring learners get the skills they need.

- Ensures employers and learners in remote communities are connected beyond the campus in town, including through mobile training advisory services, pastoral care and learning support and wellbeing services that come to them.
- Is well connected into the secondary and university education systems providing a cohesive pathway for our learners. The proposals are quiet on where and how the secondary-tertiary-employment interface fits within the system. Having a cohesive pathway is vital for the attraction and retention of a skilled horticulture workforce.
- Recognises the differences in learner need and provides adequate supports for underserved learners.

## **2.2. We need an equitable funding model that values workplace-based and strategically important provision [Proposal 3]**

HortNZ, our growers and industry partners are strongly opposed to the proposed funding shifts. We need a system that is properly integrated, where delivery meets the needs of employers and learners alike. This means ensuring we have an equitable funding model that:

- Has a strong workplace-based delivery function that is maintained and funded appropriately.  
Workplace-based delivery is often more highly valued by employers and learners than campus-based. The current funding rate for workplace-based training recognises the value in on-job training and ensures it's financially sustainable. The funding differential (to the detriment of workplace-based learning) was one of the major problems of the pre-2020 system. The proposed changes would undermine the value of workplace-based delivery and a shift of funding away from strategic investment towards traditional campus-based delivery would augment the disconnect between industry need and current delivery offering. Funding for workplace-based delivery needs to ensure it is financially viable, and supports delivery of low-volume, high-cost strategically important provision. The redistribution of funding from work-based learning to standard setting will undermine the value and place of workplace-based delivery. This will not support industry to access the skills they need.
- Funds standard-setting independently and is not volume-based. It is an important systemic and enabling function that should be funded independently as a core enduring function of the VET system. It is not suitable for a volume-based funding approach.
- Supports strategic investment, promotes innovation, and education provision excellence, especially where volume-based funding falls short in recognising the social or economic impact of non-standard delivery. This includes allocation of funds specifically for innovative projects and programmes that demonstrate potential for significant social or economic impact.

The current Strategic Component enables investment in new or innovative provision, much needed if we are to keep pace with international competitors, new markets and technologies.

The Learner Component recognises the diverse needs of learners and learning settings and ensures support is resourced – particularly for underserved learners and communities. This is of particular importance for learners in the primary sector where an estimated 40% of learners have learning difficulties.

- Incentivises collaboration between government, private sector, and educational institutions to pool resources and expertise.
- Recognises and funds non-traditional educational delivery methods and alternative credentialing systems.

### **2.3. We need system infrastructure that supports industry goals [Proposal 2]**

In order for Aotearoa New Zealand to have a fully integrated VET system that meets the needs of employers and learners alike, the system needs to be underpinned by...

#### **...RESPONSIVE, INDUSTRY-LED STANDARDS SETTING, STRATEGIC ANALYSIS AND ADVICE AND INPUT INTO FUNDING DECISIONS.**

The Workforce Development Councils (WDCs) provide a system wide view, informed by evidence through Ngā Kete and industry representative organisations and can translate industry need into actionable funding decisions. Through the role and funding of WDCs, industry has been able to demand a higher level of service and get the outcomes that would historically be impossible.

Muka Tangata have delivered for our industry – for example they have developed two micro-credentials requested by us in the last 12 months, what would have been impossible in the 2020 model. Any successor body to Muka Tangata should retain its current functions and the necessary supporting infrastructure to ensure that the VET system remains genuinely vocational (that is, delivered by and for industry).

This requires a national, system level standards setting function that is guided by industry need and has:

- national oversight by industry into the development of qualifications, standards, awards, and programmes
- industry level, published, data and insights that can be used by industry and employers to inform resource and workforce planning, and
- specific investment allocated for workforce development strategy, analysis, and planning to bridge vocational education with industry needs.

The advice to TEC function must also be retained. This is crucial function for the VET system that ensures:

- industry has input into central funding decisions to ensure funded provision aligns with industry need, current and future skills demands; and

- a central engagement and communication channel between industry and government.

### **...A RESEARCH AND INNOVATION FUNCTION PARTNERED WITH INDUSTRY**

The proposal makes no mention of the important role research and innovation plays for our sector. The existing Food & Fibre Centre of Vocational Excellence (FFCoVE) must be retained to support the development and testing of new educational models and technologies.

In order for a rejuvenated VET model to develop and succeed for the food and fibre sector, it requires a research and innovation function that:

- explores, understands and responds to industry, employer, rural communities and ākongā needs; and
- can, in partnership with industry, facilitate a pan-sector approach to the design and implementation of education and training solutions tailored to those needs.

HortNZ has directly benefited from the work undertaken by FFCoVE such as the *Food and Fibre Leadership System Research Project*<sup>4</sup> - and the subsequent initiatives *Horticulture NZ Leadership Programme Evaluation*<sup>5</sup> and the *Food and Fibre Māori Leadership Development Framework*.<sup>6</sup> These initiatives have provided much needed input in to sector wide leadership skill development, a critical component of the required workforce development if we are to meet our AHAP aspirations.

## **2.4. There are several issues and risks with the proposal as currently outlined**

HortNZ has concerns that the below issues and risks have not been addressed within the proposal as currently outlined.

- The proposal seems focussed on the short-term. However, the real need is for an enduring, bipartisan response to the VET system needs. To achieve the goals outlined in the AHAP over the next 10 years, we need:
  - investment in skills and workforce over longer-term horizon to allow industry and employers to current and future resource needs, and
  - partnership across the system and political landscape.
- The costs of more structural change is unknown, as is any expected return on that investment. The proposal:
  - does not provide any estimated costs for design and implementation of this new round of change
  - acknowledge that system change is expensive, and it is likely to be in the hundreds of millions
  - articulate how it will address the fundamental financial viability issues ITPs have faced for over a decade and result in material benefit (ROI).

When Te Pūkenga is now starting to show the potential efficiencies and value add that was expected from it, it is hard to see how the additional years of

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<sup>4</sup> [Food and Fibre Leadership System Research Project](#)

<sup>5</sup> [Horticulture NZ Leadership Programme Evaluation](#)

<sup>6</sup> [Food and Fibre Māori Leadership Development Framework](#)

change and new additional (substantive presumably, but unstated) costs are justifiable in this current economic climate.

- There is also not adequate recognition of the impact on people and delivery of yet more change for the VET workforce. The VET system has endured huge disruption already yet modelling and risk assessments suggest this might be ongoing with ITP sector financial viability issues likely to remain for the foreseeable future. The impact of this continued change is likely to result in:
  - Loss of horticulture training capability and capacity that has been built up in recent years with the help of investment from the Trades Training and Apprenticeship Fund (TTAF). For example, Training Advisors are pivotal to the success of the workplace-based delivery. Without adequate funding or system value for workplace-based delivery we risk losing their specialist skills and knowledge resulting in significant skills gaps for the horticulture (and food and fibre) industry.
  - Ongoing change fatigue throughout the VET workforce, and diminished capacity for delivery. Workplace-based delivery has been through constant change over the last 10-15 years, with ITPs facing difficulties over the last 20 years. Bipartisan agreement to future system shape is required.
- The proposal also makes no comment on potential negative impact to current industry partnerships. Again, given the change over the last few years, there is a risk employers will disengage and support for VET delivery will further reduce limiting the systems influence on productivity. Industry input into VET delivery is critical to horticulture accessing appropriately skilled workforce. Without industry partnership the horticulture industry, and the government, will struggle to meet our goals of doubling export revenue.
- There is an assumption of ITP regionality with no mitigations proposed to ensure this, nor are there measures to ensure this regional focus won't result in the loss of scale and significant reduction in strategically important provision. This ignores that:
  - ITPs historically prioritised delivery in high-population, high-revenue regions, which was not necessarily their 'home' region
  - this regional spread or duplication risk needs be managed, and mitigations put in place to require ITPs to operate within (and only in) their 'home' region; and
  - having ITPs focussed on financial viability and delivering profitable provision in their region risks reducing or stopping any delivery of low-volume, strategically important food and fibre provision. Instead, the more uneconomic delivery may be left to the workplace-based learning providers, and take away any scale needed for an efficient, and nationally coordinated volume-based funding system.
- Discussion on the proposed federation model does not cover key operational aspects:
  - how it will support provision to learners in a rural setting or those in different modes.
  - how the decision-making will operate or responsibilities be shared.
  - the role of online delivery within the ITPs - do all ITPs need to have online delivery or could this be a focussed role for a single ITP?
  - how the costs of technology infrastructure incorporation, as seen with the Te Pūkenga model, will be remedied.
- There is no acknowledgment of the gains made over the last couple of years through the Unified Funding System (UFS). The UFS recognised that volume-

based funding simply doesn't work for some VET delivery, and that a more holistic approach is required. Benefits we saw included:

- The ability to provide additional supports for new and innovative programmes through the Strategic Component funding. Our industry is only just beginning to recognise and use this fund as it was intended. For example, a new delivery mode pilot has just been launched for vegetable production that leverages the collective knowledge and expertise of our growers more efficiently. Our expectation is that by using employers time more effectively, we'll get greater engagement from employers and therefore learners.
- Having dedicated funding to support the engagement and learning support for diverse learners, including ākonga Māori, via the Learner Component funding.
- Appropriate funding rates for workplace-based learning that recognised the critical value of this mode of delivery for industry and supported financial viability.

## Discussion Questions

### Proposal 1: Creating a healthy ITP network that responds that responds to regional needs

Q. Do you agree with the consultation document's statements on the importance of ITPs?

Not as stated in the proposal. The importance of ITPs as outlined in the proposal is too narrowly focussed and ignores required interconnectivity central to a well-functioning VET system.

#### **WORKPLACE-BASED LEARNING IS CRITICAL FOR THE HORTICULTURE INDUSTRY**

For the food and fibre industry, ITPs support the delivery of provision but are a comparably small and a less important part of the system compared to workplace-based learning. Workplace-based is the primary mode of delivery and most valued by our industry.

Courses funded and delivered by ITPs that may be aligned with food and fibre are often non-productive - using up finite resource that doesn't serve to grow our economy. For example, approximately 70% of all 2023 campus-based horticultural enrolments were in the NZ Certificate in Horticulture (General) Level 3. Enrolments in this qualification have rapidly increased over the last few years, and data analysis reveals the provision is mostly extramural with over half the learners 40+ years old. This suggests the qualification has mainly been taken up by hobbyist and/or home gardeners.

Historically, campus-based delivery had more of a supporting role for horticulture delivery. Where recruitment and training demand grew beyond capacity for workplace-based delivery, an ITP would take on a similar role to an employer, funded through Student Achievement Component (SAC) rates where Standard Training Measure (STM) rates would not allow.

An example of this is training provision for the apple and pear sector in Hawke's Bay (The NZ Certificate in Horticulture (Fruit Production) Level 3 and NZ Certificate in Horticulture Production (Fruit Production) Level 4 delivered by the Eastern Institute of Technology (EIT)).

EIT's provision to this sector was driven by volume, but also strong demand and connection within the sector. However the programme and delivery model was unable to be replicated nationally (apples are also grown in Nelson/Tasman, Canterbury, and Central Otago). There was also no ability to see it replicated by EIT or another ITP for any other horticulture sector, with maybe the exception of the Bay of Plenty Polytechnic for the kiwifruit sector confined to the Western Bay of Plenty.

The proposal presents a two system VET structure, with too many ITPs that carry ongoing high deficits well into the future and would be unable to support remote low volume delivery needs. Should it be implemented, this would be a disappointing step back to a previous model.

## **WE NEED A NATIONAL APPROACH THAT SUPPORTS DELIVERY OF LOW VOLUME, HIGH VALUE PROVISION OF STRATEGIC IMPORTANCE**

New Zealand needs a national approach applied to vocational education that builds scale nationally to deliver high-value training for all of horticulture.

Current settings provide nationally consistent delivery. Shifting to integrated regionalised delivery risks the shifting to the ITP based programmes that haven't been created in partnership with industry to meet our specific needs.

Low volume, high value courses, are a feature of food and fibre delivery. A regional approach may result in cohort numbers that are too small to attract TEC funding or to be attractive for a financially struggling ITP. If there is scale in a particular region, the return needs to be reinvested to support less economic provision elsewhere.

National workplace-based learning co-ordination enables regions with higher volumes of learner numbers, or sectors where multiple learners are employed by the same employer (e.g. large corporate organisations), to subsidise regions with low learner numbers and learners from sectors who are few and geographically dispersed (including the small 'mum and dad' businesses). Without a national lens, disconnected regional provision of higher-volume delivery by ITP's does not feed the overall health and prosperity of national provision for our sector.

Workplace-based learning works across all the horticulture strands (Fruit production, Wine production, Outdoor Cropping, Indoor Cropping, Postharvest, Nursery Production, Amenity Gardening, Sports Turf, Landscaping, Arboriculture, and Cemetery) to group the same/similar 'core delivery' to achieve the scale, which in turn enables them to afford off-job training to support employers in areas like plant biology, soil science, and communications.

Training providers must fund their own programme development, and any financially astute business would invest in programmes that generate the most return. Consequently, programme development becomes volume based and prioritises the TEO's balance sheet over the social and economic value to New Zealand.

Providers can't afford to develop programmes of strategic importance as low volume provision doesn't provide financial incentive.

## **THERE NEEDS TO BE CLEAR ARTICULATION AND VALUE FOR TERTIARY EDUCATION ORGANISATIONS AND DELIVERY TYPES**

Each TEO type has value and needs to have a clear understanding of its role in the system. The proposal document refers to 'the rightful place' of ITP's as anchor institutions to drive regional economic development. While there is an outline of the range of functions undertaken by ITPs (page 7, paragraph 3), there is no assessment on whether polytechnics are performing these functions currently and what outcomes are being achieved.

It is also presented in the absence of the context of vocational training delivered via other and channels such as social development (e.g. Mana in Mahi) or other government funding channels. Therefore does not give a clear picture of the role and effectiveness of ITP's within the broader skill system.

Currently the learner is at the centre of education provision and design. The proposal focus on the importance of ITPs diminishes the value of the learner, different delivery models, and the different supports necessary to ensure learner success and a skilled workforce. The proposal is also silent on the value and contribution of employers in the VET system.

Q. What do you consider to be the main benefits and risks of reconfiguring the ITP sector?

For horticulture there is little or no benefit to reconfiguring the ITP sector.

### **CAMPUS-BASED AND ONLINE DELIVERY DON'T MEET HORTICULTURE PROVISION NEEDS**

As previously stated, workplace-based is the primary mode of delivery and most valued. The campus-based or online delivery model as well as the industrial relations framework within ITPs is considered too restrictive and not flexible enough to meet the needs of industry. Our learners are primarily in a rural or remote setting, learning on-job and therefore require a more flexible approach to ensure training and assessment can be undertaken in a way that ensures learner achievement and minimal disruption to business operations. For example, flexibility in terms of time of day, time of year (season) and in time off-job is vital for growers being able to keep their businesses running, while ensuring learners get the skills they need.

Also, extramural and online delivery does not always meet the learning and pastoral care needs of learners in the food and fibre sector.

Again, as previously stated, financially astute businesses will invest in programmes that generate the most return. Therefore, there is a perverse incentive for the ITPs to move to high-volume delivery, high-profit delivery that is profit generating, rather than delivering courses industry and regions need.

Should the proposal be implemented as stated there is a risk that it will exacerbate existing skills and workforce needs rather than address them.

### **THE COSTS OF MORE CHANGE AND ANY RETURN ON THAT INVESTMENT IS UNKNOWN**

As we know from the RoVE programme, system-wide change is costly and takes time. It is likely the costs of this new change will run into the hundreds of millions.

The proposal does not provide any estimated costs for design and implementation of this new round of proposed change. Moreover, the funding shifts proposed seek to move funding away from workplace-based delivery and the current Learner Component to funnel funding back to ITPs without providing any estimate on the expected return on investment from these.

ITPs have faced financial viability issues for over a decade. It is hard to see how this change will address the fundamental issues at play and no comment is given on what material benefit the proposed changes will have.



## **THERE IS AN ASSUMPTION OF ITP REGIONALITY WITH NO MITIGATIONS PROPOSED TO ENSURE THIS**

Once of the challenges clearly identified through the early ITP roadmap work undertaken by the TEC was the duplication of activity of ITPs within regions. ITPs prioritised delivery in high-population, high-revenue regions, which was not necessarily their 'home' region. For example, most ITPs had campuses in central Auckland to attract domestic and international learners in our most populous area.

The implementation of Te Pūkenga has substantially resolved this issue of duplication of site and delivery. However, there is a risk that with this new proposed approach there will once more be ITPs operating in competition for the high-volume, high revenue provision.

The proposal offers no comment on how this risk will be managed and how ITPs will be required to operate within (and only in) their 'home' region.

Alongside this, having ITPs focussed on financial viability and delivering profitable provision in their region risks reducing or stopping any delivery of low-volume, strategically important food and fibre provision. Instead, the more uneconomic delivery may be left to the workplace-based learning providers, and take away any scale needed for an efficient, and nationally coordinated approach in a volume-based funding system.

**Q.** Do you support creating a federation model for some ITPs?

No. The federation model as outlined seems to be half-way house of ITP provision - not fully centralised (aka Te Pūkenga), and not truly independent ITPs.

There are several concerns we have about the proposed federation model. The proposal does not:

- Demonstrate on how the federation model will support provision to learners in a rural learners or those in different modes.
- Provide any articulation of how the decision-making will operate or responsibilities be shared. If federation only means the provision of shared services and doesn't provide financial viability for shared provision then it isn't really a federation model.
- Address the role of online delivery within the ITPs. Do all ITPs need to have online delivery? Or could this be a focused role for a specific ITP? This question is key to minimising the duplication of effort, infrastructure and supporting systems and ultimately managing down unnecessary costs.
- Articulate how the costs of technology infrastructure incorporation, as seen with the Te Pūkenga model, will be remedied by the federation model. It is more than likely the same or similar costs will be required.

**Q.** What are the minimum programmes and roles that need to be delivered by the new ITP sector for your region?

Workplace-based training depends on ITPs and others to deliver the off-job component of training. They have a key role in providing core skills for those not in work to get them to a point where they can transition seamlessly into work-based learning and employment. They also have a role in delivering off-job block courses that support the on-job training.

Therefore, ensuring their financial viability as part of an enduring off-job provider network is also a key part of having sustainable work-based learning in the primary sector.

The key requirement however for horticulture is the nationally consistent, industry-focussed delivery, with clearly understood and valued roles for each part of the VET system. This partnership in programme delivery is what will enable consistency and support productivity growth to meet growth projections.

There also needs to be close connectivity between the standard setting and training delivery in order to understand industry need and how qualifications and assessment practices can support this.

**Q.** What are the critical factors needed (including functions and governance arrangements) to best support a federation model?

### **THERE NEEDS TO BE CLEAR UNDERSTANDING OF ROLES AND RESPONSIBILITIES**

For this to be successful, there would need to be clear understanding of how shared technology and services will operate, and clearly articulated responsibilities (who is in charge of what) and system stewardship. For this reason, the operation of a federation model doesn't seem well aligned with regional autonomy.

Core to the proposed federation model is the role and services provided by the Open Polytechnic. It is unclear if the services will be provided at cost or charged at market rates. Consequently, it doesn't address the risk that the proposed approach could create a monopoly or result in one ITP making a significant profit at the expense of the financial viability of the others.

### **CONNECTED AND CONSISTENT QUALIFICATION DEVELOPMENT AND DELIVERY THAT AVOIDS DUPLICATION**

Another critical factor is programme unification - the VET system needs to ensure connected and consistent qualification development and delivery, and avoid unnecessary duplication.

For example, formerly there were several similar standards being used across the many forms of horticulture all seeking to achieve the same outcome. With a consistent cross sector lens these standards can be shared, and efficiencies can be gained both in standard setting and delivery.

It is also important that standard setting is connected to delivery, for example previously a level 4 qualification in amenities was developed that incorporated management skill components at industry request. However, those who developed the qualification were not involved or connected to delivery. Consequently, it was found that learners were unable to be assessed for this component as the jobs those workplace-based learners were in did not have any management responsibilities which led to an increase in withdrawals and reduction in enrolments.

## Proposal 2: Establishing an industry-led system for standards-setting and industry training

Q. Which option do you prefer overall?

As noted by the FFCoVE, an extensive amount of work and consulting that went into the original RoVE process and comparatively this proposal has an incredibly short consultation period for what is undeniably, a significantly important issue for Aotearoa New Zealand, both economically and socially.

There are 2 options presented, and neither represents an ideal model for our industry. Noting this, Option B is the more desirable option, subject to the funding model applied.

Standard setting cannot be completely independent of training facilitation/delivery because the learning outcomes still need to be achievable/practical. However, the ability to provide training is simplified when it's enabled by well-articulated, sensible qualification framework. We believe there is need for investment in the short term to ensure high-quality standard setting and then this investment can be pared back once it is tidied up and fit-for-purpose.

HortNZ recognises this interdependent relationship between the two functions but supports the separation between them. Support keeping standard setting outside of delivery enables the focus of each to be clearly maintained. The same applies to the quality assurance function (with moderation and assessment).

It is a key characteristic of the current WDC model, which is valued by our industry and the importance of this should be recognised. It is also worth noting that the WDC model is still relatively new and still in an 'incubation' period. It is hard to see how dismantling it now will better support industry to have a 'seat at the table'.

Feedback we had from growers noted that Option A is equivalent to a farmer creating their plan and then auditing their own plan.

Q. What are the main features and functions that Industry Training Boards (Option A) need to be successful?

As noted above, HortNZ does not support Option A.

However, if it were to be implemented we recommend the statutory obligation of standard-setting, with its associated quality assurance and moderation functions, be part of the portfolio and that it be separately funded.

If it is a combined function, there is concern it will be funded through training delivery - becoming volume based. This would result in a model that:

- primarily supports existing provision
- only produces new delivery when there is a large enough volume; and
- a reduction in innovation and delivery of low volume, strategically important provision.

However, depending on the funding model underpinning it, Option A could enable opportunity for a larger sized organisation with a diverse learner group and delivery

offering to cross-subsidise provision to smaller, bespoke industries or those with a higher cost-to serve.

Again, for horticulture provision, and for the food and fibre sector more broadly, the key requirement is the need for national connectivity and consistency of provision: other providers need the same access to ensure there is ability for programme consistency.

**Q.** Under Option A, how important is it that Industry Training Boards and non-Industry Training Boards be able to arrange industry training?

As noted in the Muka Tangata submission, the food and fibre sector does not support WDC successor bodies taking on arranging of training functions. Arranging supports delivery of learning, and it should be kept integrated with delivery rather than with WDC functions, which are carried out independently at a system level and primarily involve standard-setting and quality assurance.

It is hard to respond to this without a working definition of the proposed arranging training function. i.e. what is meant by the role of 'arranger' - is it more light-touch a brokerage type role, or more hands on?

If it is similar to the former ITO model with quite a hands-on approach, then it allows greater responsibility for the arranging training body. The enrolment would sit with the arranging training body, as would responsibility to manage training within the limits of the funding. This would better serve the horticulture industry by supporting nationally consistency of provision - in terms of resources used, assessment and delivery. It would also manage potential duplication in cost of delivery and resource development, and avoid proliferation of qualifications as seen pre-TROQ (the Targeted Review of Qualifications).

HortNZ would prefer this model over a brokerage-type function where an enrolment may sit with the ITP or PTE, with the arranging training body operating at more distance from delivery.

**Q.** What are the main features and functions that industry standards-setters (Option B) need to be successful?

The standard setting body party needs to be highly engaged with industry and the arranging training body to ensure training delivery meets industry requirements. Otherwise, there is a risk that standards and assessment are not implementable. E.g. the learner is unable to learn it on the job because they don't do it as part of their role.

The people developing programmes need to know the apprentices, the needs, the ways of learning and assessing to ensure the design can be implemented and learners can achieve the necessary standards.

The industry standard setting body also needs the ability to deny approval for programmes that do not align with industry needs. This facility was present in the former ITO model, however, was not used (to our knowledge). There is need to ensure provision is fit-for-purpose and avoid any confusion that could negatively impact the big picture.

Consequently, to be successful, an industry standard-setting body, however structured, needs to:

- be appropriated funded
- work in partnership with industry, community and organisations arranging training
- ascertain and convey to government the current and future skill needs of industry
- set standards
- develop qualifications and endorse programmes
- moderate assessment and assure quality
- gather and publish data and insights; and
- provide funding advice to TEC.

As previously stated this requires a national approach; one which is strongly connected with industry, that also ensures programme connectivity.

The horticulture sector has specialised knowledge and skills requirements, and those delivering need to be interconnected nationally in order to ensure learners get the training they need. This must be supported by standard setting and qualification development that builds in programme connectivity - finding efficiencies and scale where possible, to enable the highly valued, low-volume but strategically important provision.

**Q.** Are there any key features of the Workforce Development Councils that need to be retained in the new system?

### **MUKA TANGATA HAVE DELIVERED FOR OUR INDUSTRY**

Our growers value the independence of WDCs and the industry focus they have, a quality the prior model didn't have and requirement for the success of a vocational education system (delivered by and for industry). This value is driven by the significant change in standard setting being underfunded verses being well funded. Given the level of funding the WDC's have received, industry is able to demand a higher level of service and get the outcomes that would historically be impossible. For example, two micro-credentials have been developed by Muka Tangata in the past 12 months which would have otherwise never eventuated simply because there was not the skill or capacity available.

### **THE ADVICE TO TEC FUNCTION MUST BE RETAINED**

We strongly advocate for the retention (and expansion) of the 'advice to TEC' function (Annual Investment Round and determining funded provision) of WDCs, and that this be included in the functions of any the successor body.

Given the centrality of funding to how the system works, the loss of the advice function would remove an important communication channel between industry and government and would likely worsen the problem of the VET system not meeting the needs of the food and fibre sector.

While the TEC suggests they will continue to work with industry to get their input into the annual investment round process, we believe this will be untenable. Issues here include:

- Industry capability to provide the required information - this requires specific expertise which may not be present within some industry groups.

- Industry capacity to provide analysis and advice to government on provision is also varied between representative groups. This would likely result in advice of limited efficacy and would not provide system level insights to guide decision-making.
- The TEC has a more distanced role with industry and doesn't have the industry relationships to garner the necessary advice. It would also be costly to upskill and increase resource for this at the TEC. The previous model (with no industry input into funding decisions) did not work. Instead, HortNZ believes the role and resource for industry input into central funding decisions should sit with the standard setter.
- Should the advisory role be decentralised and reliant on proactive industry contribution, there is limited TEC capability and capacity to manage this. It may result in a potentially large volume of advice from a wide variety of industry sources. Or worse, result in little or no industry input into what provision is funded.

Advice on funded provision also needs to be informed by data and insights on workforce supply - with access to information across the workforce pipeline (including secondary education, tertiary education, and workforce). Again without the role of WDCs, this requires capability and capacity from industry groups that may not exist.

### **WDCS TAKE A SYSTEM WIDE VIEW INFORMED BY EVIDENCE**

The WDCs provide a system wide view, informed by evidence through Ngā Kete and industry representative organisations and can translate industry need into actionable funding decisions.

Any successor body to Muka Tangata should retain its current functions and the necessary supporting infrastructure to ensure that the VET system remains genuinely vocational (that is, delivered by and for industry).

The loss of any of these functions risks compounding the skill gaps experienced by the food and fibre sector, which impair its productivity and profitability.

**Q.** Are there any key features of how the previous Industry Training Organisations worked that should be re-introduced in the new system?

Our growers valued that the former ITO model that was grower owned and had flexibility designed to meet grower and business need - this included a flexible industrial relations model that was able to work around grower need and the ability to contract private provision as needed. For example, being able to schedule training delivery or Training Advisor visits at a time of day, time of year (season) and balance time off-job is vital for growers being able to keep their businesses running, while ensuring learners get the skills they need.

It is important that employers and learners in remote communities are connected beyond the campus in town with mobile training advisors who come to them. Arranging also incorporates an important learning support function that both learners and employers need.

However, training delivery was underfunded in the old ITO model. It relied heavily on employers doing the heavy lifting for training and pastoral care - without any funding or recognition of this necessarily. For example, under the old model a horticulture Training Advisor would need to manage a caseload of around 100 learners in order for national

horticulture training provision to be financially viable. This led to less support for employers and trying to find cheaper (often volume-based) alternatives that didn't actually support the quality of delivery or meet the needs of industry.

**Q.** What are the possible benefits and risks of having a short moratorium on new industry training providers while the new system is set up?

If industry training arrangers (former ITOs) are removed from Te Pūkenga and made to stand on their own as PTEs, competition will inevitably emerge, and tensions between ITPs and the new PTEs (former industry training arrangers) will return - most likely in terms of funding for high-volume provision that does not necessarily serve the needs of industry. The proposed approach could exacerbate tensions and prejudices between delivery models and providers - rather than creating opportunity for collaboration and more consistency in delivery.

We have seen in previous competitive funding scenarios (including the SAC levels 3 and 4 competitive funding round) how this undermines the system stability. We need a stable, enduring, industry-centred approach to vocational education.

As previously stated, arranging of training is closely related to delivery and should remain grouped with delivery in a way that minimises conflict and promotes synergies. This implies at least one training arranger, but could accommodate multiple arrangers if they cooperate and have sufficient scale to ensure the sustainability of the function.

### **Proposal 3: A funding system that supports stronger vocational education**

**Q.** To what extent do you support the proposed funding shifts for 2026?

HortNZ, our growers and industry partners are strongly opposed to the proposed funding shifts - including the removal of the strategic component fund and the repurposing of equity funding to prop up ITPs. The proposed approach suggests money be taken from workplace-based funding to fund standard-setting. This implies two things; that workplace-based learners are seen as less important than their campus-based counterparts, and that standard-setting will again be subject to significant underfunding.

Previously, under the Industry Training Fund, the flat rate funding system for trainees and apprentices did not recognise the differences in types and costs of delivery; a particularly relevant issue for the food and fibre sector and its distributed workforces. Ensuring the financial viability ITPs as part of an enduring off-job provider network is a key part of having sustainable work-based learning in the primary sector. However, the shift proposed needs to recognise the actual costs of workplace-based training.

Food and fibre uses workplace-based training more than any other industry sector in NZ. The shift away from a unified system along with the redistribution of funding from work-based learning undermines the value of the food and fibre to NZ.

## **ASPECTS OF THE UNIFIED FUNDING SYSTEM WORK WELL FOR HORTICULTURE**

There are aspects of the UFS that work well for our industry.

The funding rate for workplace-based training recognises the value in on-job training and ensures it's financially sustainable. The shift away from a unified system along with the redistribution of funding from work-based learning to standard setting will undermine the value and place of workplace-based delivery. This will not support the financial sustainability of workplace-based delivery, nor support industry to access the skills they need.

The current Strategic Component enables investment in new or innovative provision, much needed if we are to keep pace with international competitors, new markets and technologies. This component encourages TEOs to address national and regional skill priorities was a unique and positive innovation. If removed, it diminishes the ability of the system to respond to new and emerging skill priorities and will likely extend the gap between the workforce skill requirements with what the VET system produces.

Horticulture, and the wider food and fibre sector, requires continued strategic investment in provision needed by industry or community; provision that accommodates the variation in delivery need between sectors, community, learner cohort, modality, rural and remote learning, as well as to support new and emerging markets (innovation).

Alongside this, the Learner Component recognises the diverse needs of learners and learning settings and ensures support is resourced - particularly for underserved learners and communities.

The current funding model also provides fund for a standalone industry-led VET research and innovation function, the Centres of Vocational Excellence. The discontinuation of this is of considerable concern and again diminishes the overall system ability to respond to need.

These aspects of the UFS work well for our industry. The proposed funding shifts are not a vision which will support the government's aspiration to double primary exports by value. Should a new funding model be implemented the new funding structure must enable the above noted features (financial viability for workplace-based training, strategic investment in new or innovative initiatives and funding for learning support).

## **THE PROPOSED FUNDING SHIFTS WILL LIKELY HAVE A DETRIMENTAL IMPACT ON WORKPLACE-BASED DELIVERY**

The sector disputes that the current system inappropriately favours workplace-based learning - on the contrary, the opposite remains the case from our perspective. The funding differential (to the detriment of workplace-based learning) was one of the major problems of the pre-2020 system.

As noted earlier, the flat rate funding system in the old ITO model did not recognise the differences in types and costs of delivery. It relied heavily on employers doing the heavy lifting for training and pastoral care - without any funding or recognition of this necessarily. For example, under the old model a Training Advisor would need to manage a caseload of around 100 learners in order for the provision to be financially viable. This led to organisations trying to find cheaper (often volume-based) alternatives that didn't actually support the quality of delivery or meet the needs of industry.



Should industry training funding rates return to previous levels – it would have a detrimental impact on the system ability to deliver the skilled workforce we need. A return to the old rates also fails to recognise high inflation over recent years and will limit the ability of ITB's to respond to the different needs of business and learners.

The proposed return to volume-based funding will have an undue impact and will set the system up to fail. It:

- infers that workplace-based learners are less valued than campus-based
- doesn't recognise that while workplace-based delivery has less need for bricks and mortar, running a geographically disperse field team network is expensive. There is need pay commercial rates to attract contractors with the specialist expertise necessary for off-job training.
- repurposes funding from workplace-based to fund the new standard setting body which appears to unfairly penalise this mode of delivery.

### **THERE IS NO RECOGNITION OF LEARNER NEED AND INEQUITIES**

There is no recognition of learner need and inequities in the proposed new funding model. Again, by repurposing funding from the Learner component it creates a gap between need and delivery.

Without funding such as the Learner Component, the likely result will be a funding system that 'cherry-picks' learners pre-disposed to success – leaving behind learners already underserved in the system.

### **THERE IS A RELIANCE ON INTERNATIONAL STUDENT REVENUE AND LACK OF CORRELATION WITH REGIONAL FOCUS**

As noted in our summary above there is an assumption of ITP regional focus which was not what happened in practice.

The proposal places a significant weight on international education as a revenue stream ignores previous realities that saw regional ITPs set up Auckland bases as they struggled to attract them to their home campuses.

Alongside this, ITPs historically prioritised delivery in high-population, high-revenue regions, which was not necessarily their 'home' region.

The proposal offers no comment on how the 'regional focus' will managed and how ITPs will be required to operate within (and only in) their 'home' region.

Q.

What benefits and risks need to be taken into account for these changes?

Re-directing funding away from workplace-based learning (which is the preferred delivery format for horticulture and for much of the food and fibre sector) risks worsening the disconnect between what the VET system provides and what the sector needs.

Further disruption to the education and skills pipeline would perpetuate the existing skilled workforce gaps and severely limit productivity.

The food and fibre sector is the biggest revenue earner for Aotearoa New Zealand. Workplace-based delivery has been through constant change over the last 10-15 years, with ITPs facing difficulties over the last 20.

Bipartisan agreement to future system shape is required. We need a stable, enduring, industry-centred approach to vocational education in order to meet our workforce need and our goal to double horticulture export revenue in 10 years (as outlined in AHAP).

**Q.** How should standards-setting be funded to ensure a viable and high-quality system?

Standard-setting is an important systemic and enabling function that should be funded independently (as it is now) as a core enduring function of the VET system. It is not suitable for a volume-based funding approach.

To meet the needs of the food and fibre sector, funding decisions for the whole system should be made in a way that favours neither ITPs nor other system participants and with the explicit goal of meeting the skill needs of the sector.

**Q.** How should the funding system recognise and incentivise the role that ITPs play in engaging with industry, supporting regional development, and/or attracting more international students to regions?

The funding system should not incentivise these activities because they are not the core functions of ITPs.

ITPs and other VET system participants should be incentivised to meet the skill needs of industry in their regions and nationwide, and to provide a high-quality learning experiences to their students, while catering to the needs of diverse communities.

By prioritising regionality over national consistency there is a risk of variability in delivery by ITPs. HortNZ supports a nationally consistent approach that provides all employers and learners with the same education opportunities.

**Q.** What role should non-volume-based funding play, and how should this be allocated?

Non-volume based funding is an important enabler for VET delivery, and in particular for horticulture provision, and should remain as it is now.

Implementing a strategic approach to food and fibre VET funding is the single most important and effective intervention that is available to government to improve the system and to ensure that it meets the needs of our sector.

As we have previously stated, the real need is for an enduring, bipartisan response to the VET system, and there were aspects of the UFS that worked well for horticulture. The removal of aspects such as the strategic and learner components, is therefore a backwards step that will worsen the existing problems.

The current Strategic Component enables investment in new or innovative provision, much needed if we are to keep pace with international competitors, new markets and technologies. If removed, it diminishes the ability of the system to respond to new and

emerging skill priorities and will likely extend the gap between the workforce skill requirements with what the VET system produces.

Research and innovation also plays a pivotal role for our sector. HortNZ supports retention of the FFCoVE. A successful VET system requires a research and innovation function that:

- explores, understands and responds to industry, employer, rural communities and ākongā needs, and
- can, in partnership with industry, facilitate a pan-sector approach to the design and implementation of education and training solutions tailored to those needs.

HortNZ has directly benefited from the work undertaken by FFCoVE such as the *Food and Fibre Leadership System Research Project*<sup>7</sup> – and the subsequent initiatives *Horticulture NZ Leadership Programme Evaluation*<sup>8</sup> and the *Food and Fibre Māori Leadership Development Framework*.<sup>9</sup> These initiatives have provided much needed input in to sector wide leadership skill development, a critical component of the required workforce development if we are to meet our AHAP aspirations.

Dedicated funding should also remain available to support the engagement of (and learning support for) diverse learners, especially Māori, in food and fibre VET.

## Other questions

**Q.** Could there be benefits or drawbacks for different types of students (e.g. Māori, Pacific, rural, disabled, and students with additional learning support needs) under these proposals?

Of the learners currently enrolled in workplace-based learning, approximately 28% identify as Māori and 7% as Pasifika, and a further 19% note they are learners with English as a Second or Other Language (ESOL). Approximately 10% self-identify as having a learning disability, however Primary ITO estimates the actual percentage would be closer to 40% of enrolled learners.

These statistics show us that enabling, non-volume-based funding (such as the Learner Component) has a significant place in the VET system. It is particularly for learners working in remote or rural locations to access appropriate support services including mobile training advisory services, pastoral care and learning support and wellbeing services that come to them.

Māori learners in general, and Māori food and fibre learners in particular, heavily favour workplace-based learning. The proposals, which are balanced in favour of ITPs and classroom-based learning, will further disadvantage learners that prefer workplace-based delivery and benefit from flexible and innovative programmes and modes of delivery.

The funding system needs to retain the means to promote and support achievement by diverse learner groups, especially Māori.

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<sup>7</sup> [Food and Fibre Leadership System Research Project](#)

<sup>8</sup> [Horticulture NZ Leadership Programme Evaluation](#)

<sup>9</sup> [Food and Fibre Māori Leadership Development Framework](#)

**Q. Could there be benefits or drawbacks from these proposals for particular industries or types of businesses?**

The proposal favours regional provision instead of national provision; it lacks a whole system view.

The changes as proposed are likely to result in limited access to education provision for horticulture businesses located outside of main centres or business that do not have scale in a region. For example, Canterbury has low numbers and geographically dispersed fruit producers. They need to be able to join with other horticulture sectors to get scale to be able to offer off-job training days. Without this ability to collaborate with sector partners it's hard for them and their learners to access the same level of education provision as their counterparts with greater scale in other regions. There is no incentive for regional providers to invest in these types of relationships and the expertise necessary to achieve this.

The proposals do not meet the needs of the horticulture industry because they:

- favour classroom-based learning at the expense of workplace-based learning,
- retain a volume-based funding system that makes it difficult to deliver low-volume but strategically important food and fibre VET programmes
- disadvantage Māori and other diverse learner groups
- do not provide support for learners with learning difficulties
- do not address the problems that have led to critical skills gaps for the food and fibre sector, including the funding settings and the effects of the economic cycle
- contribute to ongoing flux and uncertainty for the VET sector, and
- do not contribute to meeting the government's goals for the food and fibre sector and the wider economy – in fact could significantly undermine our goal of doubling export revenue by 2035 through inability to equip the sector with an appropriately skilled workforce.

**Q. Are there any other ideas, models, or decisions for redesigning the vocational education system that the Government should consider?**

As stated at the start of our submission, 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 courses 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.

This requires a national, integrated, system-level delivery model that:

- enhances the connectivity between vocational education and industry strategies, such as the AHAP
- clearly articulates the role and value proposition for all tertiary education organisation types
- maintains a strong workplace-based delivery function and invests in strategically important provision
- provides national operational oversight from qualification development through to training delivery
- offers a range of flexible training delivery options
- ensures employers and learners in remote communities are connected beyond the campus
- is well connected into the secondary and university education systems; and
- recognises the differences in learner need and provides adequate supports.

The delivery model needs to be enabled by an equitable funding model that values workplace-based and strategically important provision. This means a model that:

- has a strong workplace-based delivery function that is maintained and funded appropriately
- funds standard-setting independently and is not volume-based
- supports strategic investment, promotes innovation, and education provision excellence (e.g. as through the current Strategic Component and Learner Component funding), especially where volume-based funding falls short - not recognising the social or economic impact of non-standard delivery
- incentivises collaboration between government, private sector, and educational institutions; and
- recognises and funds non-traditional educational delivery methods and alternative credentialing systems.

Underpinning these needs to be system infrastructure that supports industry goals. This requires:

- Responsive, industry-led standards setting, strategic analysis and advice and formalised input into funding decisions, as is provided by the WDCs currently. This provides:
  - evidenced-based system-wide analysis and advice
  - national oversight by industry into the development of qualifications, standards, awards and programmes
  - specific investment in workforce an analysis and planning in order to match vocational education with industry need
  - industry input into central funding decisions; and
  - a centralised engagement and communication channel between industry and government.
- A research and innovation function partnered with industry, as is the FFCoVE, that:
  - explores and responds to industry, employer, community and ākonga (student) needs; and
  - partners with industry to develop and test new educational models and technologies.