

To:

Education and Workforce Select Committee

On the:

Education (Vocational Education and Training Reform) Amendment Bill (“The Bill”)

Submitted by: New Zealand Plant Producers Incorporated (NZPPI)

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INTRODUCTION:

NZPPI welcomes the opportunity to make a submission on the Bill and we wish to appear before the select committee to present our submission.

SUMMARY

1. We support reform of the vocational education system. We seek that the Bill leads to improvements in the outcome of industry training, ensuring that it meets the needs for a skilled workforce, delivers better education outcomes for trainees and improves participation in training. Further development of the legislation is needed to ensure that the vocation education system is able to deliver these outcomes effectively.
2. The legislation is required to ensure that our sector has a vocation training system that is more responsive, puts businesses and learners at the center and is adaptable to meet the changing needs of our industry.
3. The legislation is an opportunity to create a vocation training system that offers greater choice and focusses primarily on the needs of trainees, employers and industry. It is also an opportunity to rebuild confidence in the vocational education system and to reverse the decline in the quality and participation in training that has occurred over the past decade.
4. A key advantage of the legislation is the sector and regional focus it brings to vocational training system, through the establishment of the Workplace Development Councils (WDC's) (section 479) and enabling regional groups to operate. These will help to ensure that workplace and vocational training is more accessible to businesses in the regions and in different sectors. A challenge for the new system will be to ensure that centrally based WDC's are accountable for the success of regional and sector based training.
5. The legislation should place obligations on WDC's and the NZ Institute of Skills & Training (NZIST) to ensure that small sectors and businesses have equal access to and support for the development and provision of training that meets their needs, and that regional training is not dominated by large sectors, as was often the case in the previous regime. The plant production sector values training and education and has a strong history of supporting industry training, encouraging young people to pursue qualifications and ongoing learning. We are seeking to preserve this and will rely on the effectiveness of regional groups, strongly supported by WDC's and NZIST's, to ensure this.
6. We are pleased to see the obligation for an NZIST to establish regional divisions, (section 222F) however, there needs to be a higher level of obligation for NZIST to support and resource the regional divisions to ensure their ongoing performance and effectiveness.
7. A modern vocational training system needs be innovative and account for changes in way people learn while working that includes more relevant qualifications, greater use of short courses and on-line qualifications to allow people to learn while in employment.
8. It is unclear how the legislation will minimize costs and the administrative burden for the business owners and encourage investment and participation in workforce training.
9. We note that neither the WDC's, or NZIST have a clear function of innovation included their roles, which is a key outcome that industry has sought from these reforms.

ABOUT NZPPI

NZPPI is the peak industry body for plant producers in New Zealand. Our industry employs approximately 4000 people and is worth an estimated \$500 million.

Our members grow seedlings and plants for food, forests, for urban and rural landscapes and for home gardens.

Our industry underpins the success of New Zealand's thriving primary industries, including forestry, horticulture, viticulture and farming.

TRAINING IN OUR SECTOR

With an annual rate of growth of 15%, MPI has identified the plant production sector as one of the fastest growing sectors in the primary industries.

To meet the future demand for workers it is estimated that our industry will need to retain the existing workforce and then work to attract 190 new trained employees per year until 2025.

In 2012, just 39% of workers in the horticulture sector held qualifications (level 2 or above). This will need to rise to 65% by the year 2025

Higher level qualifications (level 4 and above) will be required in the following areas:

- Horticulture / science: 15% (of qualified employees)
- Engineering. IT & related fields: 11%
- Other (HR, management etc): 9%

These qualified workers will be needed across all parts of the nursery sector, including the food, forestry, amenity and biodiversity nurseries. Training will also be required across the supply chain, including nursery production, distribution and retail.

In the future the nursery industry will need to have more highly skilled workforce. Workers in traditional (nursery worker) roles will require additional skills and qualifications, but in addition to this, there will be increased need for professional skills including engineering, science and management.

While the NZ plant production sector has a long history of promoting training and education, participation in education has been dropping steadily in recent decades, despite an increasing workforce.

Many of NZPPI members are frustrated with the current training framework in NZ reporting that it is out of date and is focused on the wrong skills.

The declining demand for training in recent decades means that many traditional training institutions have withdrawn their investment in horticulture training programmes.

There are signs that this trend may be reversing as the horticulture sector grows many industry organisations in the horticulture sector are investing in workforce strategies to ensure that their sectors can compete for skilled workers to fill new roles.

Future trends:

- More workers will be required to meet the increasing future demand for plants.
- Many traditional job roles will require new skills and competencies.
- Workers will require training and support to adapt to work in a more

sophisticated workplace, using new technologies.

- Creating value in our sector will require a new skill in areas such as production, technology (automation and robotics) and quality systems.
- Tertiary qualified personnel will be required in areas such as biosecurity, regulatory compliance (employment and environment) and market knowledge will require skills that are not widely available in our sector at present.

THE ESTABLISHMENT OF AN NZ INSTITUTE OF SKILLS & TRAINING

We support the establishment of a single New Zealand Institute of Skills & Technology (NZIST) entity as it offers opportunities for economies of scale, administrative efficiencies, cost reductions and providing closer links between training providers and industry (e.g. in section 222B). We are concerned that the legislation establishes a large, centrally based NZIST that may struggle to have an adequate view of the performance of the training system at a regional and sector level, particularly for smaller sectors.

Oversight of the effectiveness of training is an important outcome that industry is seeking from the new regime. The legislation has inadequate coverage of which entity is accountable to monitor and report participation in training and the performance of the system. We believe that this should be a key function of the NZIST and that this should be included in the legislation. The obligations of an NZIST are described in the NZIST Charter (Schedule 22). These obligations should include a greater focus on the transition of trainees into work, by ensuring that training programmes include skills and pastoral support to encourage work readiness at the completion of training. This lessens the need for employers to provide this care in the workplace. This may be achieved by strengthening Schedule 22, C (4) to include transition to work.

The legislation seeks to centralize the administration of the training system, while regionalizing the oversight and coordination of training through strong engagement with WDC's. Regional training will potentially lead to prioritizing specific skills that are a regional priority. There is a key role for NZIST (and WDC's) to ensure that consideration is given to the range of skills that are needed in each region, avoiding large, or priority sectors dominating regional training.

There is a risk that an NZIST becomes more inefficient than the current administrative structure and blocks industry initiatives. This must be overcome by a strong and genuine partnership between NZIST, industry and the community.

There is risk that a single NZIST creates a risk of a single point of failure in the training system. Strong governance and oversight of the NZIST is required in the legislation to ensure this risk is identified and managed.

ESTABLISHING WORKFORCE DEVELOPMENT COUNCILS (WDC'S)

We support the inclusion of legislation that enables the establishment of WDC's (Section 479). We understand that WDC's will play a similar role to the one that ITO's currently play. We are concerned that the proposal to establish only 4-7 Councils may not achieve the outcomes that the new framework is seeking to achieve in terms of the relevance of training in small, or complex sectors. These sectors may struggle to have a voice in a large WDC, e.g. a whole of Primary Industries WDC. As a possible solution, WDC's in the primary sector may cover the plants and animals sectors separately.

The role of WDC's in engaging with industry (Section 482) should include an obligation for WDC's to recognize and work with industry associations as a priority. WDC's should support industry associations to advocate with government, schools, providers, regional bodies, etc, to develop and support training, rather than undertaking this role themselves. Duplication of effort,

or competition between WDC's and industry associations, or groups, should be avoided. This can be achieved by strengthening, in the Bill, the obligation of WDC's to cooperate with industry associations and groups.

OTHER ISSUES

NZPPI is concerned that the legislation does not address the following issues.

Attracting a work ready, skilled workforce

The ability to access skilled and ready workers is vital to the prosperity of the plant production sector and the prosperity of New Zealand. The number of trainees is already falling well below the demand for workers and is a constraint to business growth and performance on our sector. The legislative framework for vocational education needs to include outcomes for larger numbers of skilled workers. This is not covered adequately in the legislation.

The implementation of the new vocational education framework should minimize disruption of training that is already underway. There is already a shortage of skilled workers in our sector and further disruption to those in training, or already providing high quality training, must be avoided.

Qualifications:

The current requirement for a 40-credit qualification is out of line with the needs of business that have a preference for shorter, just in time programmes. The plant production sector is considering the role of shorter skills events, such as micro-credentials as a better way of learning on the job.

Approvals process:

Approvals processes for qualifications and programmes need to be rapid to enable timely delivery to market. Current slow rates of programme development and approval effectively kill innovation.

We need a new way to recognise skills:

Qualifications and recognition of skills are not the same. In vocational education the focus is often on skills, but the vehicle to access funding is through qualifications. We are looking for new ways to recognise skills that do not rely solely on qualifications.

Conclusion

NZPPI thanks the Education and Workforce select Committee for the opportunity to make a submission on the Education (Vocational Education & Training Reform) Amendment Bill. We look

forward to being part of an ongoing discussion about changes to New Zealand's vocational education system and request the opportunity to appear at the Select Committee hearings.

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