

**Submission by**



to

**The Ministry of Education**

on

**Vocational Education and Training Reforms Consultation**

12 September 2024

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# **NZTECH SUBMISSION ON VOCATIONAL EDUCATION AND TRAINING REFORMS CONSULTATION**

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## **INTRODUCTION**

NZTech thanks the Ministry of Education for the opportunity to contribute to its consultation process.

Our goals in vocational education and training are:

- Increasing investment in upskilling teachers so they equip students with digital literacy skills.
- Actively encouraging students of all ages into digital technology subjects and career pathways.
- Developing a national Digital Skills Strategy to coordinate public and private sector initiatives to lift digital skills.
- Supporting and investing in the introduction of digital apprenticeship programmes, and micro-credentials, to build new career pathways.
- Ensuring all students have access to digital equipment at school and at home.
- Lifting the public service's digital skills to effectively advise on digital technology policy and regulations.

Consequently, we have chosen in our submission to discuss those aspects of the vocational education training system and the government's proposed reforms that we believe are most relevant to achieving these goals.

## **ABOUT NZTECH**

NZTech is a member-funded, not-for-profit, non-governmental organisation that has multiple tech communities, associations and national initiatives that help create connections, promote tech and enhance New Zealand's ability to benefit from technology.

We bring together the NZ Tech Alliance and represent 24 tech associations such as AgriTechNZ, BioTechNZ, EdTechNZ, FinTechNZ, the AI Forum, the NZ Game Developers Association, Digital Health, Digital Identity NZ and more. We have more than 2,500 members who together employ 10 percent of the New Zealand workforce, comprising startups, local tech firms, multinationals, education providers, financial institutions, major corporations, network providers, hi-tech manufacturers and government agencies that work closely with the tech ecosystem.

## COMMENTS

- **Digital technologies should be recognised as a separate industry**

Digital technologies are not identified in the consultation document as a separate industry within the vocational education system. We recommend that they should be, in order to help ensure the industry's growing workforce growing needs are met. The industry is one of the largest contributors to GDP, with high wage and employment growth, but had no Industry Training Organisation (ITO) under the previous system. Greater recognition must be given to it.

The speed of the tech sector's growth has been rapid – from annual exports of \$200 million a decade ago to \$12 billion today – with demand for highly skilled employees regularly exceeding supply, which has meant almost half of the sector's workers are employed on immigrant visas.

One of the challenges posed by such rapid growth is that companies are looking to hire senior workers at the very top of their professions. At the same time there has been a great increase in demand for skilled workers at all levels of seniority from businesses inside and outside the tech sector which have been rapidly digitising. These companies are both large and small, yet the voice of the smaller companies is often not heard by institutions or government. For example, a polytechnic or government agency wanting to know what's happening in the sector will, for convenience's sake, typically seek the opinion of a large firm – such as a Xero, Datacom or RocketWerkz – but these large players operate differently to most firms in the sector.

This has contributed to a lack of coordination on the part of education and training providers, with piecemeal solutions proffered to complex industry challenges in terms of the kinds of training needed and the numbers needed. The pace at which agencies work is slower than the pace at which the sector operates. Ultimately it can be challenging to understand the actual employment needs and coordinated workforce planning would be beneficial for all parties. While NZTech can play an important role in helping better coordinate dialogue between industry, education and training providers so that courses are developed in ways that better meet sector and economy-wide needs, it lacks the resources to undertake complex workforce planning or course design.

- **Cadetships and apprenticeships are vital to the tech sector's future and for opening up new pathways for a more diverse workforce**

We are concerned that the proposed model does not have the capacity to enable effective collaboration across the polytechnic systems and help us develop work-integrated learning opportunities and new pathways into the workforce. A system of cadetships and/or apprenticeships – which the sector does not currently have – is crucial to ensure future industry and workforce growth. Our research has also shown that current pathways are one of the barriers for Māori and Pacific People to consider entering the tech workforce.

Our members are continually telling us of their desire for “earn-as-you-learn” pathways for people into the industry. But most are too busy to develop these on their own – with a few exceptions, such as Fusion Networks working with NMIT to create a process for a cadetship. Another example which government could learn from is the Waikato Tertiary Tech Alliance’s ongoing development of a technology (degree) apprenticeship programme for the Waikato region. The Alliance is currently canvassing the sector for feedback to help ensure the model meets business needs and aligns with tertiary and industry standards.

There are existing level 3 and 4 qualifications that could be converted into cadetships, but to do this effectively requires a framework and coordination from a government partner, with industry participation. We recommend that these options be explored with some urgency.

- **Elements of the Workforce Development Council system should be retained**

The Workforce Development Councils (WDCs) were successful in facilitating valuable industry engagement and representation, and we recommend that elements that contributed to this success be retained in any future vocational training model. There needs to be independence from other functions across the vocational system to ensure that there is an industry voice that is shaping educational outcomes, coordinating across the vocational education and training sector to help ensure courses developed are appropriate to industry needs and avoid duplication. The current WDC, Toi Mai, also began the process of more formalised workforce planning which is essential information to ensure resources are assigned to real needs.

- **The importance of Skills Framework for the Information Age (SFIA)**

SFIA, the global standard for defining tech skills and experience, was adopted almost a decade ago by the digital technologies sector, working alongside government. The goal was to select a framework that would provide consistent descriptions of positions and roles so that tertiary and vocational students would have a clear idea of their level of knowledge, easing their transition to the workplace. Implementing SFIA proved difficult initially, but it was embraced by the WDCs and has been a vast improvement on the previous environment in which sector representatives were having to engage with every single polytechnic around what their curriculum was going to contain.

We recommend that any new model of vocational training give prominence to the continued support and promotion of SFIA.

## **CONCLUSION**

The rapidly-growing tech sector needs more skilled workers and talent but the training and vocational education pathways for entry are lacking. At the same time, businesses in other sectors across the economy are also facing shortages of workers with digital skills.

Government agencies, polytechnics and other providers must continue to work with industry to develop pathways that will not only benefit the tech sector, but also fulfill the needs of large consumers of technology economy-wide.

NZTech is keen to be part of that conversation and we thank you for the opportunity to contribute to the consultation process. We are happy to engage further to discuss our submission and provide any further assistance that might be helpful.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Graeme Muller', with a stylized, cursive script.

**Graeme Muller**

Chief Executive

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