



MAKE|NZ submission to the **2025 Work-based learning reforms – targeted consultation**

As already stated in our joint NZ Manufacturing Alliance submission, MAKE|NZ can only support the Independent Work-based Learning Model.

However, this is about something else. As MAKE|NZ, we would like to record our concerns about the entire process, the way the TEC and the Ministry of Education have hitherto handled proposed changes in government-funded vocational education, both under the previous, and under the current government. We contend that:

- The focus of consultations and reforms has been primarily on structure, rather than processes. In our industry at least, there is a golden rule that form follows function (process), and we see no reason why this should not apply to the reconfiguration of vocational education
- The structural changes proposed in the current round of consultation, and the previous one, do not even attempt to address the issue of developing a system of processes in which training and assessment materials can be redeveloped / upgraded at the frequency and speed required at least in our industry – manufacturing – where fundamental process improvements and new (digital) technologies are introduced at an ever-increasing rate
- In the entire exercise to date, we can't see any consideration being given to how the proposed changes will improve the provision of vocational education and training to those already employed in the industry.

Manufacturing in New Zealand employs ca. 260,000 people, with an outlook to grow to around 300,000 by 2028. A significant proportion of those currently employed have no formal qualification beyond NZQA L2; that is particularly true for the Māori and Pasifika workforce (2022 data; *Hanga-Aro-Rau Post COVID-19 workforce development needs in New Zealand's manufacturing and engineering sectors*).

Our own analysis has also shown that there are significant gaps in digital skills in the workforce, especially in the older workforce (>45 years of age), and including many of those that are trade-trained to NZQA L3 and L4.

In order to remain globally competitive, New Zealand manufacturers have to raise productivity in their operations and are doing so by improving processes through automation and digital technologies. Workers need to be upskilled to remain functional in a work environment that is generally requiring higher levels of digital and other operational skills.

MAKE|NZ (NZMEA) has made significant investments in time and money to develop two micro-credentials aimed at digitally upskilling the existing workforce: 4341 *Digital Skills for Manufacturing* and 5011 *Digital Systems for Productivity Improvement in Manufacturing*. The

former used to be offered for a while until the changes under RoVE kicked in, the latter has never been able to be delivered so far, both due to systematic process failures in the government-controlled vocational education system, and a lack of funding support.

We present these as just a couple of examples of how the recent and incessant changes in vocational education have effectively, and in many instances, disabled the delivery of services to the industry when it comes to upskilling the existing workforce. Many manufacturers have now effectively written off the 'official system' when it comes to upskilling their workforce – they feel they are being left to their own devices.

The Cabinet Paper pertaining to the latest round of reforms, released on Jan. 29, 2025, does not provide us with a great deal of confidence that the proposed changes in the delivery of work-based learning will be bedded in operationally in the near future. And, as mentioned, we don't even see any reference to improving the situation for the delivery of training to the existing workforce in the documents released for consultation.

The current government has made *Economic Growth* a top priority in its agenda. Significant economic growth is not going to happen without a strong and growing manufacturing sector, and the manufacturing sector is not going to grow when it is held back by a lack of requisite skills in its workforce.

Yours sincerely



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