

17 June 2025

NEW ZEALAND MANUFACTURING ALLIANCE

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Submission on the Education and Training (Vocational Education and Training System) Amendment Bill

Introduction

Thank you for the opportunity to provide feedback on the Amendment Bill that will shape the Vocational Education System going forward.

The *New Zealand Manufacturing Alliance (MA)* is an unincorporated group of business leaders representing a range of industries within New Zealand's manufacturing sector. We come together to provide advocacy on the overarching matters of interest to all manufacturers in New Zealand.

The MA has been actively involved in industry training and has provided regular submissions over the reforms of vocational education and training in recent years in order to represent the views of businesses in the manufacturing industry that rely on work-based learning. We want to ensure they have a strong employer voice, and that the system can deliver industry-led, cost effective, learner centric, consistent, sustainable and accessible training.

We support the more detailed submission provided by Business New Zealand including the scheduled proposed amendments to the Bill. In addition we make the following comments specific to manufacturing.

- We are pleased to see that the Bill includes a provision for the staff and work of the existing Workforce Development Councils to be transitioned to the Industry Skills Boards. While a lower operating budget means that a full lift and shift is not viable, having a mechanism to retain the expertise of the existing organisations is vital to ensuring that the ISBs succeed.
- Vocational Education has been in transition for over five years and with change fatigue setting in, industry buy-in will be critical to the success of the new Industry Skills Boards.
- There are many opportunities for the new system to drive success by attracting learners to a vocational education pathway and developing a highly skilled workforce, which in turn will lift productivity and help generate growth for the New Zealand economy but support from industry will be a critical success factor and the legislation must support that.
- To this end, Clause 362 (b) (i) provides that an order may outline the means by which the industries covered by an ISB may engage with the ISB in relation to the performance or exercise of its functions, duties, or powers. Under Hanga Aro Rau WDC, Manufacturing has had a mandated Industry Stakeholder Group which has proved extremely effective. We recommend that this mechanism be included in the legislation as a must so that all ISBs are required to establish an Industry Stakeholder Group, providing a requirement for ISBs to be responsible not just to the Government. This inclusion would also support the stated purpose in the General Policy Statement to increase industry involvement.
- We support the recommended inclusion of Section 367(1) to allow ISBs to design and deliver products that will support skills recognition and workforce development such as Recognition of Current Competency, Recognition of Prior Learning and matching of international training programmes against relevant New Zealand standards and qualifications.
- Regarding the imposition of levies (Section 385A to E; Schedule 4 Schedules 16 and 17 replaced), we suggest that while a levy approach seems attractive for some, the perception of an additional “tax on business” alongside the practicalities of identification of the potential persons that make up a group to be subject to a levy, and collection of same, could be outweighed by the benefit the levy provides.
- More specifically, we are concerned that a levy can be introduced by an ISB with some or all of the industries they cover, potentially with little consultation. There is no definition of the word “adequate” in this instance. For industries that do not have a recognised Industry Body to consult with, this could lead to a few influential parties affecting an outcome that may not be of the majority. We therefore ask for Section 385A to E being replaced by Sections 381 – 384 of the current Education and Training Act 2020, thus retaining a more stringent requirement to seek industry support before any levies are being imposed.

Conclusion

The vocational education system must stay agile and forward-thinking to meet the changing needs of tomorrow's workforce. This includes adapting to new technologies, global economic shifts impacting local jobs, emerging fields like AI, renewable energy, and data science, and evolving workplace preferences for learning.

I would welcome the opportunity to discuss this submission further.

Kind regards

A handwritten signature in blue ink, appearing to read "Dieter Adam", on a light gray background.

Dieter Adam

Chair

Manufacturing Alliance (MA)

dieter@makenz.org

[+64-27-495 3276](tel:+64-27-4953276)