**Part One:**

Tēnā tatou, Ko David Strong ahau,

My name's David Strong and I’m the director of the Reform of Vocational Education at the Tertiary Education Commission.

About 12 months ago we did a presentation on what the reform is trying to achieve and given that we're now in 2021, I thought it'd be useful to give an update. What I thought we'd do in this presentation is cover off what we've done over the last 12 months, look at the aspirations and the reasons for the reform and then look ahead to this year in 2021, what each of the projects will be doing and where we're going to be by the end of the year and how much will have changed.

If we look at Vocational Education across New Zealand there's around about 230,000 apprentices’ learners or trainees spread across tens of thousands of employers and well over 400 private training enterprises, three Wānanga, and 16 subsidiaries of the Institutes of Technology and Polytechs that are now part of Te Pūkenga.

The Government invests around about 630 million dollars into vocational education. We are redesigning pretty much the totality of that and we're now around about two years into what is a four to five year change program. There's a number of reasons why this reform is needed.

In 2018 and 2019 the Ministry of Education and the Tertiary Education Commission did a lot of work engaging around the country to understand the challenges that we're currently facing in the Vocational Education system.

We know there's a serious skills shortage across industries and employers in New Zealand and we also know that many employers don't think they're getting what they like from the graduates across our system.

We have a split system in New Zealand where we separate the on-the-job learning largely from the in-classroom learning and online learning and that doesn't always meet the needs of learners, employers or our regions. For many years there have been challenges, particularly financial challenges, across our Institutes of Technology and Polytechs. And we also know that many industries feel they don't have enough input into the design of the learning, and that the learning isn't always flexible to meet their changing needs particularly in an agile moving economy like we have in New Zealand. So we need to address that.

With a Vocational Education system of this size we're not tweaking this we're redesigning it fundamentally and there are some major aspirations that we're seeking to achieve and we're a long way into that journey already.

It's fair to say that we are creating something new for New Zealand. This has not been done before and we've sourced what happens around the world and pulled some of the best practice lessons into what we're doing. But this is something quite unique for New Zealand.

It is very much a new way of thinking about the delivery of Vocational Education and how we link together the employers and the industry with the learners and the providers to get a better synergy between the four of them. It is a system that's going to amalgamate in-classroom learning largely delivered through the polytechs with the on-the-job learning which is largely delivered through the industry training organisations, and also online learning into a national network of provision.

One of the key things here is that we're trying to put learners and employers both in the centre of this. We are trying to make a system where learners particularly will benefit because if they are learning in the classroom in one part of the country and their circumstances change and they move to another part of the country and decide to either go online or go on the job, they'll have a consistent and seamless experience no matter where they are. And from an employer perspective, we're putting employers in the centre by saying we want to hear from you, the kind of programs you need, the kind of skills you need, so we can then feed that back to providers to develop new programs to meet their needs.

This is very much about a nationally integrated network throughout New Zealand that is putting the learners and the employers at the centre of that and it is a significant change.

**Part Two**

There are eight key changes that the Government is seeking to make in order to redesign the system and rebuild it in a way that meets the outcomes I’ve just talked about.

The first of these is the creation of Te Taumata Aronui. This is a Ministerial Senior Advisory group that are looking at a range of Mātauranga Māori-led educational issues across New Zealand and how they can help improve our system. The group was formed in February last year and has now met many times and is considering their vision for the future of Mātauranga Māori within New Zealand. It's an amazing opportunity.

The second one is the creation of Te Pūkenga, which is the amalgamation of the 16 ITP’s as subsidiaries into the new organisation. It stood up in April last year and this year they're particularly focused on the development of their operating model which will create the national network I talked about, and also how they can put learners at the centre of this new system.

Aligned with that we are transitioning our industry training organisations into Te Pūkenga or into other providers, for example the private training establishments or the Wānanga.Over the course of this year we will probably see between three and six of the TITOs transition their arranging training functions into those future providers.

The fourth change is the creation of Workforce Development Councils. The primary purpose of Workforce Development Councils is to give industry and employers a voice into their needs, their skills needs, their learner’s needs.

The fifth development are the Regional Skills Leadership Groups or RSLGs. And the difference between them and Workforce Development Councils, is that RSLGs provide a regional perspective of economic needs, social needs, labour market needs and skills needs.

So I contrast that with Workforce Development Councils that provide a national view of their specific industries and so while there's six Workforce Development Councils covering areas like construction and infrastructure, or food and fibre service, they will take a national view of what we're looking for from a skills perspective.

There are 15 Regional Skills Leadership Groups from Kaitaia to the Bluff, and they're looking at regional specific needs across all industries and so blended together we're going to get a lot of good information across both of those.

The fifth change are Centres of Vocational Excellence or CoVEs. CoVEs are being created to help improve the excellence of provision of Vocational Education and also to address specific challenges that industries may identify.

We are unifying our funding system. There are two funding systems one that is largely focused on the industry training and the on-job learning, and one that is largely focused on the Polytech or in-classroom learning. The unified funding system is going to bring those together. We have a far more collaborative approach that is specifically targeting learner needs, the way we deliver and some strategic funding.

The final change is the changes within our qualification system. We're looking to simplify our Vocational Education qualifications system and our quality assurance processes to better match the needs of the new Vocational Education system that we're designing.

**Part three**

As this is a multi-year change and reform, we've broken the work into three phases.

The first phase we completed in the middle of last year and we called that the design and amalgamation phase because, largely, we were designing the policy and how the system would work, and we were amalgamating the 16 Polytechs into Te Pūkenga.

We are now six months into phase two, which is a two and a half year phase and it ends at the end of December 2022. We're calling that the transition and integration phase because over the next two years we will transition entities such as the TITO's into their future providers, and will begin to integrate the on-the-job, online, on-campus learning in this phase.

Te Pūkenga will design its new operating model and that operating model will outline how the national network of provision will work specifically across the online, on campus, and on the job learning.

The third phase which starts in January 2023, we're calling the unification phase. That's when the Unified Funding System- the single funding system, kicks in and we'll roll it out from January 2023, and it's when we expect to see the great benefits of what a unified funding system will mean to employers and learners.

Now in early 2021 we're about eight months into phase two and this year is going to be a big year of change. Before we look at this year, it's useful to go back and see what was achieved in 2020.

2020 was a big year particularly given that we were operating in a COVID environment. In 2020, the new Education and Training Act came into effect and was stood up in April. We established two pilot Centres of Vocational Excellence, one for construction and one for primary.

15 interim Regional Skills Leadership groups were established and six interim Establishment Boards for the Workforce Development Councils were stood up. They had a lot of work on their plate to design the Orders in Council, which is the secondary legislation that gives them effect in statute.

We received 11 high-level transition plans for the TITOs for where their arranging training functions may move to, and we received guidance from the Minister on the design of the Unified Funding System. As I referred to last year as being a design amalgamation year, this kind of shows the scale of design and amalgamation that we achieved, and it was a very successful year.

 If 2020 was a significant year, this year we're very much building on those foundations. This year is a time when we're going to see changes begin to come into effect. We will see entities and organisations stand up or move to their future location. And particularly around the middle to late this year is when we're going to see a lot of these changes occur.

We are aiming towards particularly the Workforce Development Councils which we are envisaging will stand up formally in statute by mid this year. For the rest of this year they'll begin to develop their own capability and capacity and grow so they'll be able to deliver on some of their functions.

We're expecting to see 15 Regional Skills Leadership Groups fully established by around about the middle of this year, so six Workforce Development Councils and 15 Regional Skills Leadership Groups should all be standing up around the middle of this year. As I said earlier between three and six of the TITOs will move their arranging training provision into providers. The build element is the creation of the Workforce Development Councils, Regional Skills Leadership Groups and the transition of the transitional ITOs.

The design element is also ongoing. Te Pūkenga will continue with its design of the operating model and come the end of this year we'll have a pretty clear understanding of what a nationally integrated network of delivery looks like.

The Unified Funding System will do the vast majority of its high-level policy design this year and the simplification of the qualification system will consult across New Zealand and come up with a design for that, two very important parts. Therefore, if we step into next year we will start to see the maturity of the entities we've built this year.

The big design will start to land and we're going to position ourselves for the finalisation of the moving of the last of TITOs who will move their provision of arranging training and also how we're going to implement the Unified Funding System in 2023.

So a big year this year. So in summary, RoVE represents a big change and with big changes there's a lot of work. We've come a long way in the last 12 months and the next 12 months is big as well.

We need to take the time to do this right and design this well, while also maintaining momentum because we are hearing from industry “why can't this be done faster?” But with changes of this magnitude, when it hasn't really been adjusted too much in 30 years, we need to design it for the next 30, and it's really important we get it right. There's a balance between momentum and good design. On that note though this is a system for New Zealand. We are very keen to hear from people around New Zealand, it needs to be designed for all of New Zealand.

This year we are hoping to come out around the country again to talk and listen and hear what people are seeking. We spend a lot of time doing that anyway. Be it the Sheet Metal worker from the Waikato who has said to me “this has to happen”, or the Building Construction company up in Gisborne with a couple of apprentices that have said the Trade Training Apprenticeship Fund has made a significant difference to his business, we are trying to make the system more agile.

I guess it's a very exciting time to be part of Vocational Education in New Zealand and to anyone who's contributing or part of this, on behalf of the RoVE team, on behalf of the Tertiary Education Commission, the Ministry of Education, the New Zealand Qualifications Authority, Te Pūkenga, the Minister and MBIE, thank you. Thank you for being part of that and we're looking forward to this journey with you this year.