

Reversing the Reform Of Vocation Education – Q&A



Why is it necessary to reverse Reform Of Vocational Education (ROVE)?

- The Government's expensive and disruptive restructuring plan is a massive over-reaction to the issue of Institutes of Technology and Polytechnic's (ITP) financial sustainability.
- This is the worst possible time to be embarking on a costly, wholesale restructuring of the vocational education and training system.
- With demand for vocational training set to increase over the coming months and years due to rising unemployment, we should be directing all of our efforts and resourcing towards frontline education and training, not into establishing a centralised bureaucracy that will take years to get up to speed (and even then, will be less nimble and effective than our current, decentralised system).

What will National do?

- National will return autonomy and independence to the ITPs and ensure that industry training is led by industry, not Government.

What does this mean in terms of legal status of the polytechnics?

- Polytechnics have been converted into subsidiaries of New Zealand Institute of Skills and Technology (NZIST). National will reverse this and re-establish polytechnics as independent legal entities.
- The employment agreements that were transferred to the new subsidiaries will be transferred back to polytechnics.

What does this mean for the new entities that have been created?

- The new entities that have recently been created or are planned to be created in the coming weeks (NZIST, the Workforce Development Councils (WDC), the Regional Skills Leadership Groups and Te Taumata Aronui) will all be disestablished.
- These are largely an unnecessary additional layer of bureaucracy.

What role will the Industry Training Organisations (ITO) have under National?

- Under the current legislation, transitional ITOs are expected to continue to operate current arrangements for supporting on-the-job training until the end of 2022.
- National will use this period to re-establish ITOs as permanent organisations.

- Where previous arrangements were working well, ITOs will largely return to their previous structure/role. For industries where the ITO system was not working as well as others, we will work with industry bodies to ensure their ITOs are fit-for-purpose.

What are the savings?

- By reversing these costly reforms, we expect significant savings for the sector.
- The current Government's plan is to centralise the entire vocational system and introduce significant additional layers of management and bureaucracy. If allowed to proceed, this will prove extremely costly.
- Head office costs for this sort of entity are likely to escalate over time. The Government believes that its plan will result in back office savings and synergies but in reality, creating a mega-ITP is more likely to result in duplication of effort and cost. Even if some cost savings are made, these will be outweighed by the increase in bureaucracy and management costs.