



## Submission on Reform of Vocational Education

IRHACE, CCCANZ and RLNZ thank Minister Hipkins for the opportunity to provide a submission in response to the Consultation Discussion Document, Reform of Vocational Education.

### Introduction

The intended Reform of Vocational Education Discussion Document raises concerns amongst our entities. These entities ( who are mentioned above) provide feedback based on those concerns.

We are in agreement that parts of the current system is not viable and understand both the financial considerations that must be addressed for polytechnics, along with need to attend to other functional problems within those polytechnics in what has been identified as a somewhat outdated system. Similarly, the ITO model may require some review.

However, to take such a radical change as that proposed is drastic and unproven. Financial issues aside, we do not believe the ministry have sufficiently acknowledged the issues the tertiary sector in general faces such as the demographic issues caused by the 'baby blip', along with the record low unemployment rates. This further influences the situation the polytechnics find themselves in and their ability to attract sufficient students, and therefore operate as a viable model.

We acknowledge the need to review the current system, however we are concerned with the lack of detail as to how this proposal will address the future learning requirements, let alone add value to the current tertiary system.

### About our Entities and their Training

We represent both our membership and training entities listed above and also speak on behalf of the wider Heating, Ventilation, Air Conditioning and Refrigeration (HVAC&R) Industry which encompass some

- Engineers and Technicians 7000+
- Employers , 1000+
- Apprentices, 100 per annum
- People trained (and retrained) by RLNZ in last 8 years 4000+

Our apprentices graduate at Level 4 in several streams of HVAC&R being

1. Level 4 Refrigeration and Air Conditioning
2. Level 4 Building Services

Higher level learning is available at level 5 and 6 to allow qualifications in Mechanical Engineering and the like.

RLNZ also run face to face and online short courses to Unit Standard which provide a high level of technical and specialist training to both the apprentices and graduates alike. The apprenticeship cohorts must continue to ensure appropriate training within their apprenticeship. We are unsure where this will ultimately rest under the new regime.

### **Feedback and Consultation Meetings**

We have consulted with membership of both IRHACE and CCCANZ who provided feedback to both an online survey and in discussion at membership meetings. This feedback forms the basis of our submission.

We have also participated in consultation/ collaboration with our ITO, Competenz, and in presentations by TEC at both NZ Construction Industry Council and Manukau Institute of Technology events. We also point out we have been privy to the alternative options put forward to the Minister which were rejected in favour of these proposals. Similarly, we are aware Australian states adopted a similar model which has been cited as an abject failure and with chaotic results for many apprentices at the time.

### **Solving the Skills Supply**

The proposed reforms will not address the current skills supply. NZ is facing record unemployment combined with the double whammy of a low birth rate in early 2000's. That is what is impacting student numbers. This cannot be resolved simply with a shakeup of the VET system.

### **Polytechnic Consolidation**

We agree with the Ministry and their concerns about the functional and financial issues the polytechnics currently face. The duplication of course/ degree and the level of competition is shocking and requires review. In a nutshell, 16 polytechnics on Queen St, Auckland is unsustainable, and this type of proliferation must be reined in.

An example of where the current structure works well is an HVAC&R industry one where, the recent TROQ (targeted review of Qualifications) and overhaul of our level 4 R+A and new level 4 Building services apprenticeships have been a success and an example of good collaboration between an ITO, Polytech and industry. During the TROQ, NZQA put a lot of focus on streamlining the pre-trade courses run by SIT and MIT to dovetail into the L4, ITO driven apprenticeships and certainly in our industry the Polytechs successfully managed to integrate with the requirements of the TROQ.

Polytech consolidation would add no value and potentially risk the current block course delivery via the "refrigeration school of excellence" located at MIT (Manukau Institute of Technology) which is the only centre of its type in New Zealand

### **ITO Disestablishment**

It is important at this juncture, to acknowledge our industry relationship with Competenz our ITO. Like Competenz, we see little point in such radical reform of what is a workable model. Yes, there may be value in reviewing the model to ready it for the future, but much of what the ITO's such as Competenz currently achieve is well received by industry, and is generally fit for purpose

The ITOs have been reduced in number over the past few years from 40 to 11. This was at some cost to various industry employers training programmes through disruption and delays due to the

transition. However, all recovered and the ITOs appear to have come out stronger from this rationalisation and therefore it is hard to understand the drivers to further consolidate when the system is already lean, mean and workable?

Our membership tell us they believe the reform proposed will erode the quality of training and support of employers and apprentices.

*Where is the justification for removing the off job learning component from ITO's to ITP's, this will simply result in a huge amount of disruption for no evident gain?*

ITO's currently take on a responsibility to undertake and support employers to promote industry with the on-job component of the apprenticeship (in our industry, on-job forms more than 60% of the total course compulsory requirements) including the development and script writing of new Unit Standards and monitoring on-job delivery and industry assessor standards. There is no evidence of how this would be managed under the proposed structure.

The HVAC&R industry have worked closely with our ITO, Competenz to, promote and add value to apprentices and apprenticeships, develop courses, collaborate on qualifications frameworks through Sector Advisory Groups and in Targeted Review of Qualifications (TROQ), all of which will be put at significant risk under the proposed regime. These are of huge value to the outcome and to our industry, ensuring the outstanding knowledge of our industry professionals influences the qualification at every turn, and produces employable apprentices of a very high standard.

*What will happen under the proposed forms, is not clear, however the influence our industry will have on the future qualifications must be retained.*

Also, of importance, and not addressed in the proposal, is the good work ITO's do to attract students through recruitment drives in schools, along with their relationships with careers advisers and the like. We are not satisfied that the ITP would suitably assume this task. Without a sound system such as that currently, the ability to attract sufficient, suitable apprentices will be lost.

### **Transition**

Whilst we appreciate it is difficult to provide sufficient detail in this proposal, we are however left left with no assurance that there are suitable plans to ensure a viable transition, should this proposal proceed.

Our industry risks losing apprentices who may become disenchanted with the changes, similarly employers may reduce their participation with apprenticeship programmes due to frustration and possible additional compliance costs.

### **Futureproofing**

The HVAC&R Industry like others, are very conscious of the impact of new Chemicals, AI and Technology on our industry. Employers see this change impacting them already. Yes, the curriculum developed must reflect that change to ensure apprentices are suitably trained for now into the future. They must be trained to be nimble and receptive to change.

*Where are the statements that provide us with the reassurance that this proposed reform will support that?*

### **Lack of detail in Discussion Document**

You say in your discussion document that you have consulted widely in the past year, we don't see substantive proof of that. In fact, we feel the lack of detail to, and information regarding this radical proposal is of real concern, leaving us with no assurance that the proposal has been sufficiently worked through and tested, given the tight timeframe for implementation. In fact, we would go as far as to say that the short timeframe for responses indicates that the objective is to railroad this proposal through without proper consultation.

### **To explain how we speak on behalf of our industry**

#### **IRHACE as Individuals**

As individual engineers, most have completed a Trade Certificate at some time in the last 50 years. An apprenticeship has been the foundation for 'life', as a Refrigeration or Mechanical Services Engineer. Many look back on that qualification with pride, it set them up for a rewarding and sustainable life. All understand what the apprenticeship is about and how the apprentices of the future should be trained.

Our IRHACE members tell us they are not confident the current and imminent cohorts of apprentices will be suitably trained or of sufficient numbers to sustain our important industry, who support every refrigerated primary production sector in New Zealand, as well as playing a major part in the commercial construction sector.

*Where is the governments roadmap to truly deliver on enhanced standard of training for apprentices who will go on to support and often lead industry businesses?*

#### **CCCANZ as Employers**

Our 111 CCCANZ members for whom we speak in this submission, represent some 40-50% of the 7000 industry technicians and engineers. Many of those employers were apprentices in their time and have risen through the ranks to lead substantial companies. They are committed to seeing that cycle continue. Many invest in training apprentices, to give back, and also to ensure they have the opportunity to have their own say in shaping the future of this industry.

Regardless of this view, they must also act in the interests of their businesses and in turn their apprentices must provide a return to their businesses. Similarly, these members have advised they are concerned they will face added costs and increased compliance under your proposed centralised model.

It has already been mentioned above, that under the proposed model our industry must have a voice. Our industry is small, and we are not confident we will still have the influence we have now with our current ITO, nor the control over the content of our industry training. The end result under your proposed model would see the erosion of our industry standards and a disconnect between industry and our training provider.

*What provision is made to ensure our industry will have its say under a revised and potentially more bureaucratic system?*

Our members have told us, there should and must not be added cost on our employers under the reformed system and that to answer the call for sufficient apprentices to sustain our industry the model would be better served incentivising employers to participate and ensure continued engagement in the programmes. The recent fees free scheme is evidence of a method to incentivise employers to recruit additional apprentices.

*What incentive will the government provide to support employers and encourage added engagement and apprentice hires?*

### **RLNZ as Trainers**

RLNZ and the wider HVAC&R sector are closely involved in industry training and in addition have been steadily increasing the provision of direct training to our apprentices, those involved in our industry and more widely in the past 8 years.

RLNZ have been providing both refrigerant license and other training courses to all in their 4-year term, along with working closely with Competenz and MIT to develop a workable curriculum and fit for purpose training framework. In doing so RNLZ are committed to ensuring a quality output and the continued maintenance of industry standards.

RLNZ regularly fields complaints from students and apprentices disgruntled that their 4 years of training in an apprenticeship affords them only NCEA Level 4 rather than a higher level possibly. It is a shame this issue was not addressed in this review. We suggest now is a perfect time to revisit that as our apprentices do not get the recognition they deserve, and this discrepancy impedes our ability to attract apprentices.

*Why has the TEC not taken heed of other Vocational Education Institutions who have raised this issue time and time again in recent years?*

### **Apprentices in the HVAC&R Industry**

In preparing this submission we have spoken to recently graduated apprentices. They share our view that whilst the apprentice system was not perfect for them, that the proposed reform gives them no confidence that the result will see a better trained apprentice. They also agree there is no evidence that the changes will serve to attract a greater number apprentices to our industry.

### **Key points of our Submission**

We outline in brief the key points and issues we have identified (some mentioned previously) as we have developed this submission. All are areas which require mention (however for the sake of brevity have listed them below.

### **Concerns to our Industry**

- How will smaller industries such as HVAC&R have a voice in a large single polytechnic system?

- There is no guarantee that the transition will be well managed (as noted above)
- Potentially this sees the VET system regressing 30 years to an old fashioned and centralised system that removes the current level of training content control from industry and hands that decision making back to bureaucrats with little or no knowledge of our industry need and wants.
- We don't believe this proposed system will increase apprentice numbers, now or in the future?
- We can't see how this will improve the quality of on-job learning
- We can't see how this will improve the quality of off-job learning
- In the Discussion Document there is no mention of, and at all consultation meetings we have received no assurance there are any plans to improve the transition from school to trade training. Nor do we see any plans to resolve the issue with recruiting secondary students. The current system favours the university stream and fails the other streams such as possible VET and those who chose no tertiary pathway.
- There is no evidence of how the PTE's and Wananga fit into this proposal and what their future is in the VET system.
- Will this really futureproof our industry? Or just reshape an already flawed polytechnic model

### **Our Industry Agrees**

- To fold Open Polytechnic into the system as the online provider
- That the Polytechnics should be rationalised and restructured to ensure future training and technological needs

### **Recommendations made to this Submission**

- Incentivise employers to employ and develop apprentices
- In order to add value to the apprenticeship scheme and the 4 years of on and off job learning to increase the level from Level 4 to 5, 6 or 7 even
- Realign the sectors the ITO's oversee. I.e. to have an ITO for the Built Environment (currently handled by Competenz, Skills and BCITO!) etc
- Focus on a total overhaul of the transition from secondary schools, the actions and views of careers advisers and the preparation for tertiary
- Require and incentivise secondary schools to promote VET as a viable and equivalent pathway for students

### **In Conclusion**

If there was one thing that has come out of the discussion and consideration of the proposed Reform of Vocational Education, it is to force us to take a long hard look at the current system and how it might be improved, what our industry see as working well, and what we see as not.

Regardless, we are sure your model won't be workable and could potentially damage our industry, at a time when we struggle to find and retain apprentices.

Thank you again for the chance to make this Submission on Reform of the Vocational Education sector, we would welcome the opportunity to discuss this with TEC further as consideration is given to this important issue.

Don't do this. Yes, review and rationalise the polytechnic system, there is a need to reign in their activities. But the ITO model in its current form is sustainable, we are adamant this model only requires review and ITO's should not be disestablished.

### More about our Entities

#### **IRHACE**

[www.irhace.org.nz](http://www.irhace.org.nz)

A member group, representing the independent engineers and technicians throughout the HVAC&R Industry, as the Institute of Refrigeration, Heating and Air Conditioning Engineers and are some 600 independent members throughout NZ.

main aims are to

- promote the economic well-being and quality of life of our members, and of the heating, ventilation, air conditioning and refrigeration industries, and to improve the economic well-being and quality of life of every New Zealander.
- to develop a continuing development policy and framework for IRHACE members to support a more skilled and technically competent membership

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#### **CCCANZ**

[www.cccanz.org.nz](http://www.cccanz.org.nz)

Climate Controlled Companies of New Zealand is the industry association for Heating, Ventilation, Air Conditioning, and Refrigeration (HVAC&R) companies in New Zealand.

Our 111- strong group of member companies are committed to promoting; high standards of business competence and industry conduct for companies engaged in climate-controlled environments, the advancement of education, practice, and technology in HVAC&R and a standard of workmanship and design for members to adhere to.

Our strategic statements are:

- Ethics in business
- Education for improvement
- Voice of industry
- Safety in performance

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#### **RLNZ**

[www.rlnz.org.nz](http://www.rlnz.org.nz)

Refrigerant Licence Trust NZ (RLNZ), are a charitable trust who provide training courses to the HVAC&R Industry. The Refrigerant License Trust Board (RLTB) was established by CCCANZ and IRHACE, with funding provided by refrigerant levy collection, initially to develop and provide

refrigerant filler and handler training and certification for HVAC&R practitioners. Subsequently RLNZ has expanded its activities to provide a wider range of training and professional development for people in the HVAC&R industry.

To date RLNZ have trained in excess of 5000 industry technicians, engineers and apprentices. In both face to face and online training.

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