Energy Resources Aotearoa
POWERING A BETTER NEW ZEALAND TOGETHER

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Ministry of Education

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Submission on the future of work-based learning industry consultation

Introduction

1. Energy Resources Aotearoa is New Zealand's peak energy sector advocacy organisation. We represent participants right across the energy system, providing a strategic sector perspective on energy issues and their adjacent portfolios. Our purpose is to enable constructive collaboration across the energy sector through and beyond New Zealand's journey to net zero carbon emissions in 2050.

2. We have a long and proud history of engagement in vocational education and training at both strategic and operational levels. Established by the energy industry in 2010, our workforce development unit, Energy Skills Aotearoa, plays a critical role in addressing sector-wide workforce challenges and implementing targeted skill development initiatives. These efforts are guided by a strategic framework focused on attraction, development, and collaboration.

3. Our 2022 industry skills action plan "Building Energy's Talent Pipeline"[1] provided clear workforce development recommendations for the sector. It identifies key barriers, gaps and opportunities for the New Zealand energy workforce and details a transformational plan[2] to address them.

4. This submission is provided as a supplementary response to the September 2024 Vocational Education and Training consultation and addresses the Ministry of Education's industry consultation on the future of work-based learning in New Zealand. We offer feedback on the two proposed models, Independent Work-Based Learning and Collaborative Work-Based Learning, emphasising the need to achieve the best outcomes for employers, apprentices, and industry training within our sector. See ***Appendix One*** for proposed work-based learning models.

5. Both proposed models emphasise robust industry governance and the establishment of Industry Skills Boards (ISB's). We acknowledge the government's commitment to further industry consultation and appreciate the Minister of Tertiary

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1 See our report entitled 'Building Energy's Talent Pipeline' dated October 2022.

2 See our summary Energy industry skills action plan, dated October 2022.

Education and Skills, Penny Simmonds' engagement with industry stakeholders throughout this process

Key Messages

6. We support the **Independent Work-based Learning** model, as it most closely aligns with how workplace assessment and the achievement of the energy industry's qualifications currently function in New Zealand. It also provides the least disruption with a transition for learners and employers alike.

7. It is important to highlight that the current system enables resource sharing across Te Pūkenga, offering substantial value to industry training. This model allows certain industry assessors to operate under a contracted assessor arrangement with an Industry Training Organisation (ITO), which has proven effective in facilitating workplace assessments.

8. We strongly advocate for the inclusion of a similar mechanism in the proposed work-based learning framework to maintain this successful approach.

9. Industry assessors, both internal and external, are integral to workforce training and competency development in the energy sector. It is crucial that companies retain the ability to utilise their own assessors to uphold high standards of workplace learning and skills assessment.

10. We ask that clear guidelines are refined on the definition and delivery of pastoral care to ensure effective learner support while minimising unnecessary administrative burdens on employers and industry training providers.

11. We recommend that the Industry Skills Board's undertake a thorough review of existing assessment resources to assess the value proposition of resource procurement. The findings should be shared with new assessors joining under a contractor-based model, ensuring consistency and efficiency in assessment practices.

12. The current Workforce Development Council (WDC) model has presented challenges for the energy sector, as our workstreams are divided between Hanga-Aro-Rau and Waihanga-Aro-Rau. To enhance efficiency and streamline industry engagement, we strongly advocate for our sector to be represented under a single ISB, providing a unified and co-ordinated approach to workforce development.

13. We support the independent model, as it allows Institutes of Technology and Polytechnics (ITPs) to deliver targeted industry training. We have long advocated and governed a successful "hybrid training delivery model" which incorporates pre-employment training delivery both in an ITP classroom with additional work-based training within participating companies. This model is highlighted in ***Appendix Two***. Expanding ITP involvement in industry training could generate additional revenue, contributing to their long-term financial sustainability.

14. We recommend that ISB's incorporate a workforce data function and provide support to industry associations actively engaged in this area. Access to reliable workforce data is essential for effective planning and decision-making within the energy sector, see ***Appendix Three*** (data information gaps obstruct workforce planning).

Submission

A future ready energy workforce is crucial for New Zealand's economic growth

15. The energy sector is crucial to New Zealand's social and economic development, driving economic growth, ensuring affordable energy security, and supporting both industry and households. As the country moves toward a lower-emissions economy, the sector will play a pivotal role in facilitating this transition by increasing the adoption of renewable energy and leveraging key transition fuels such as natural gas and new technology such as Carbon Capture and Storage ('CCS'). A highly skilled workforce, able to adapt to the evolving needs of the industry, will be essential for successfully achieving this transformation.

16. The journey to net zero and the broader energy transformation will require significant adjustments in both the size and structure of the energy workforce. A key challenge will be ensuring that the future energy workforce is equipped with the necessary skills while safeguarding the expertise of the current highly skilled workforce, preventing disengagement or displacement.

17. A responsive, flexible, and fit-for-purpose work-based learning model is critical to developing a workforce that can meet these evolving demands. This system must be adaptable to industry shifts while maintaining stability to ensure the continuity of high-quality vocational training.

18. The energy sector has specialised training needs that must not be overlooked within the broader vocational education framework. We advocate for a system that prioritises quality training over high enrolment numbers and recognises the distinct requirements of specialist industries.

Consultation Questions

Which of the two models – Independent or Collaborative Work-based Learning – does your organisation prefer?

19. We strongly support the **Independent Work-based Learning** model, as it most closely aligns with how workplace assessment and the achievement of the energy industry's qualifications currently function in New Zealand.

20. The Independent model ensures continuity by allowing training and assessment to remain workplace-based, with governance provided by an Industry Training

Organisation (ITO) equivalent. This model avoids unnecessary additional layers of interaction and allows for streamlined, effective training delivery.

21. The current Workforce Development Council model poses challenges for the energy sector, with responsibilities split between Hanga-Aro-Rau and Waihanga-Aro-Rau. To improve efficiency and strengthen industry engagement, we strongly support consolidating sector representation under a single Industry Skills Board ensuring a unified and coordinated approach to workforce development.

Why will your preferred model work best for employers and learners in work-based learning?

22. Currently, for example, with our ENCHEM workplace assessors, the ITO (Primary ITO) governs the suite of qualifications, issues training agreements, monitors achievement progress, facilitates moderation, and oversees pastoral care requirements. This is done seamlessly in the background with minimal disruption to employers and learners.

23. The Independent model replicates this structure with the least disruption, avoiding the need for multiple points of contact, which could create confusion and inefficiencies for both employers and learners.

24. We recommend that Industry Skills Boards establish a workforce data function and support industry associations involved in this area. Reliable workforce data is crucial for informed planning and decision-making in the energy sector.

What does your organisation think are the main benefits, costs, and risks of each option for employers and learners in your industry?

25. <u>Benefits of the Independent Model</u>

    a aligns closely with current training and assessment practices;

    b minimises disruption to workplace training and assessment;

    c provides continuity for learners and employers; and

    d ensures that workplace assessors can continue to be used efficiently.

26. <u>Risks of the Independent Model</u>

    a ensuring adequate industry governance and oversight of qualifications; and

    b the need for careful transition planning to prevent disruption.

27. <u>Benefits of the Collaborative Model</u>

    a provides a direct feedback loop from industry to the ISB;

    b defines a clear pastoral care function for learners; and

    c May provide a higher level of accountability for providers.

28. Risks of the Collaborative Model:

a increased complexity in training arrangements, requiring coordination between multiple organisations and levels;

b risk of administrative burden on employers and learners;

c potential for delays in assessment and qualification completion due to split responsibilities between providers and ISBs; and

d pastoral care function with ISB's is not yet clearly defined.

While there may be potential benefits with provider accountability under a collaborative model, we believe the associated risks outweigh these benefits in this instance.

Both models will involve a transition process, but this will be different for each. What will be the critical factors in making transitions work for your industry?

29. The transition process must prioritise continuity and avoid disruptions to training and assessment. The following factors are critical:

a **ensuring seamless transition:** any new model must prevent training delays or administrative bottlenecks;

b **minimising learner impact:** learners should not experience interruptions to their training due to structural changes;

c **industry engagement:** the transition must involve clear and open communication with employers, industry bodies, and training providers; and

d **recognition of specialist industries:** Small and specialised industries must not be overlooked in the transition process.

30. The consultation document states:

> *"Particular attention would be paid to planning transitions for more specialised areas with fewer or more nationally dispersed learners, and solutions for when no ITP could viably offer a programme."*
>
> *[page 19 paragraph 3]*

31. This statement is particularly relevant to our industry, which has lower learner numbers and relies on workplace-based training and assessment.

32. Only one Polytech (WITT) currently offers an annual entry-level ENCHEM programme at Level 3, with limited intake numbers.

33. Our industry has successfully managed workplace training for over two decades with minimal external intervention. It is essential that any new model preserves the ability for workplace assessors to continue their roles effectively.

34. The current system enables resource sharing across Te Pūkenga, providing significant value to industry training. This model allows select industry assessors to operate under contracted arrangements with an Industry Training Organisation (ITO), effectively supporting workplace assessments and we would like to ensure this mechanism remains in place with the new model.

35. We recommend that the Industry Skills Board conduct a comprehensive review of existing assessment resources to evaluate the benefits of resource procurement. The findings should be shared with new assessors operating under a contractor-based model to promote consistency and efficiency in assessment practices.

Concluding comments

36. We support the Independent Work-based Learning model as the best fit for our industry's needs. This model ensures continuity, maintains the efficiency of workplace-based training, and minimises unnecessary complexity.

37. We appreciate the opportunity to offer insight into our areas of interest throughout this consultation. We consider vocational education and training to be a vital component of our industry's future workforce development.

38. We look forward to working alongside the Ministry of Education and welcome further engagement with officials. Please do not hesitate to contact Sheree Long, Director, Workforce Development at sheree.long@energyresources.org.nz should you wish to discuss or clarify any parts of our submission.

Appendix One: Ministry of Education - Proposed Options for work-based learning system

Area	Independent Work-based Learning	Collaborative Work-based Learning
How do industries exercise leadership?		
Who represents industry voice?	• An Industry Skills Board (ISB).	• An Industry Skills Board (ISB).
Nature of industry body	• ISBs are independent statutory bodies established by the Minister through standardised Orders in Council.	• ISBs are independent statutory bodies established by the Minister through standardised Orders in Council.
Role of industry body	• ISBs only have a standards-setting role.	• ISBs have both a standards-setting and a pastoral care and coordination function.
Governance of industry body	• Eight members: six industry appointees and two ministerial appointees. • Other governance elements set in Order in Council.	• Eight members: six industry appointees and two ministerial appointees. • Other governance elements set in Order in Council.
Coverage of industry body	• Set by the Minister and outlined in an Order in Council. • Sectors with no ISB are covered by NZQA.	• Set by the Minister and outlined in an Order in Council. • Sectors with no ISB are covered by NZQA.
How is work-based learning organised?		
Who can offer work-based learning programmes?	• Any provider, but the programme must be endorsed by an ISB.	• Any provider, but the programme must be endorsed by an ISB and involve that ISB as provider of pastoral care.
Who enrols the learner?	• A provider.	• A provider, but the learner's enrolment must also be recorded by an ISB.

Area	Independent Work-based Learning	Collaborative Work-based Learning
Who does an employer deal with?	• The provider who owns the programme and enrols the learner.	• The provider who owns the programme and enrols the learner (for education matters). • The appropriate ISB (for pastoral care).
Who provides pastoral care?		• The appropriate ISB.
Who arranges education and assessment		• The provider who owns the programme and enrols the learner.
Who is responsible for learner success?		• Responsibility is shared between the provider and the ISB.
How are standards-setting and work-based learning funded?		
Funding for standards-setting	• ISBs receive public funding to operate. • ISBs can charges fees to providers for quality assurance functions, dependent on individual business models. • Barriers to introducing industry levies are reduced.	• ISBs receive dedicated public funding for their standards-setting role. • ISBs can charge fees to providers for quality assurance functions, dependent on individual business models. • Barriers to introducing industry levies are reduced
Funding for work-based learning	• Providers receive per-EFTS/STM subsidies. • Providers can charge fees for enrolments.	• Per-EFTS/STM subsidies are split between providers and ISBs. • Providers can charge fees for enrolments.

Table supplied by Ministry of Education

Appendix Two: An industry/tertiary hybrid training model from Energy Resources Aotearoa

The following information outlines a training programme for the energy sector that is a hybrid online, classroom, industry work placement model.

This programme was developed in 2010 by Energy Resources Aotearoa's workforce development unit in consultation with vocational training providers and wider industry. The programme development was to support a critical skill shortage for process operators felt throughout the sector.

This style of programme could be duplicated across sectors and has been an extremely successful model for the energy sector. It demonstrates a viable model of a successful industry/vocational institutional partnership.

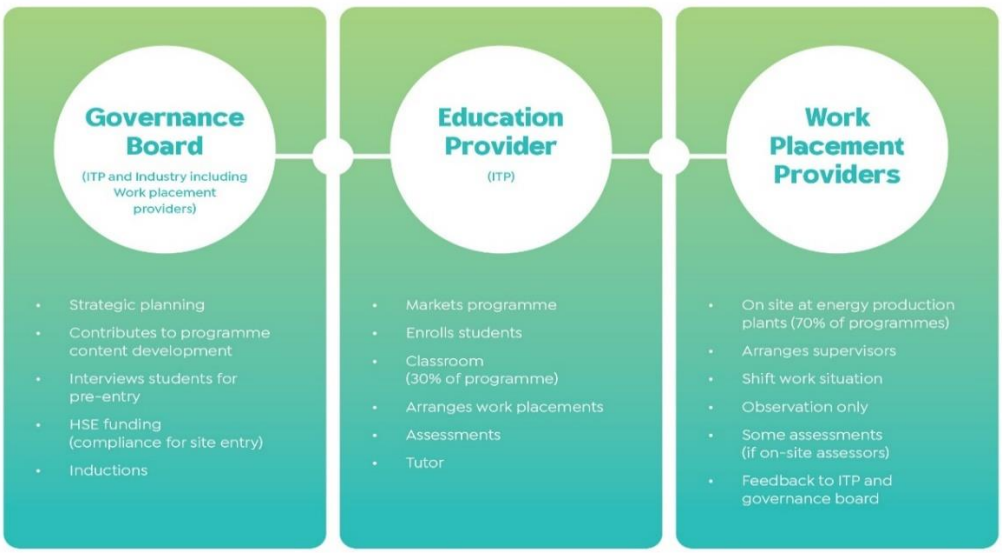
THE TRAINING PROGRAMME:

This unique training programme is for those interested in training towards a career in Process Operations in the Energy industry (both renewables and non-renewables). It has seen a successful employment rate on completion.

The companies involved can be based anywhere in New Zealand with the classroom component delivery in Taranaki at Witt and work placement throughout NZ.

The qualification develops learners' knowledge and skills for entry level employment as Process Operators and can transition into various energy related industries such as Electricity, Chemical Processing, Natural Gas Production, Energy and Chemical Plant and Dairy Production Plants.

The image below sets out the different parties and their responsibilities:



GOVERNANCE BOARD

The governing board consists of Energy Resources Aotearoa as Chair with members from industry as board members with provider WITT and the tutor also at the meetings. The group holds quarterly meetings where various items are discussed including student evaluation and support; enrolment numbers for next year; employment opportunities including how many are available; HSE delivery; tutor appointments; work placement logistics; marketing of programme; industry involvement and stakeholder involvement.

STUDENT ENROLMENT DUE-DILIGENCE

The governance board is diligently aware of the need for a responsible annual uptake of the number of learners and calibre. Industry wants to be socially responsible of not placing learners through training if there are no opportunities for employment on completion therefore have agreed to an entry due diligence process.

To apply for the course candidates must meet certain NCEA requirements and if they do, they progress to an interview with an Industry and WITT panel. At this interview the course expectations can be outlined to learners, and they have the opportunity to ask questions and assess if it is really for them. This process is also beneficial for industry as they have the opportunity to meet the learners and address any concerns early.

This process has proven to be a critical success component of the programme.

WORKPLACE TRAINING

Another integral component of the programme is workplace-based training. At least 60% of the training is conducted in energy companies' workplaces. There are many energy companies involved in this component, all of which provide student mentors/buddies throughout their time in work placement.

Work placement training can be undertaken wherever the WP company is and there is a combination of employed and pre-employed participants.

Health and Safety of learners and workplaces is of extreme importance to industry therefore the industry funds an HSE intensive upfront training that the learners undertake prior to beginning the course.

Appendix Three: Robust workforce data is critical for planning

Data information gaps will obstruct workforce planning. The energy sector workforce statistics sit across a variety of non-sector specific Australian and New Zealand Industrial Classification Codes (ANZSIC). This does not provide accurate data for the sector. This is particularly relevant for new emerging energies. We note this concern is echoed by our industry counterparts in Australia.

Data information gaps obstruct workforce planning and growth for stakeholders

Image supplied by Energy Resources Aotearoa.