



# Submission

*12 September 2024*

**TO THE**

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**Ministry of Education and Tertiary Education Commission**

**ON THE**

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**Redesign of the vocational education and training system**

**BY**

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**Beef + Lamb New Zealand Limited**

# SUBMISSION ON THE REDESIGN OF THE VOCATIONAL EDUCATION AND TRAINING SYSTEM

**To the:** Ministry of Education and the Tertiary Education Commission  
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**Date:** 12 September 2024

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## Acknowledgements:

Throughout writing this submission we have collaborated with various organizations and industry representatives, including Federated Farmers, cadet farms, PTEs, the wool industry education group, Scarlatti, Deer Industry NZ, members of the Food and Fibre Capability Leadership Group, DairyNZ, Seafood NZ, Horticulture NZ, Forestry ICAs, NZ Winegrowers, Māori Agribusiness, Meat Industry Association, NZ Pork, Muka Tangata, Food and Fibre CoVE, MPI, and ITOs.

While this is not an exhaustive list of our collaborators, it highlights the breadth of perspectives we have considered in developing our submission. However, this submission represents the views of Beef + Lamb New Zealand and may not reflect the opinions of all industry stakeholders

## 1. Executive Summary

Beef + Lamb New Zealand (B+LNZ) appreciate the opportunity to give feedback on the future of the vocational education system in New Zealand. The sheep and beef sector faces unique challenges and opportunities in the context of vocational education and training (VET) reforms. As a sector VET makes an essential contribution to maintaining and improving rural communities along with their cultural, social, and environmental wellbeing.

For the year ended 2022, the red meat industry contributed \$11.4 billion to New Zealand's export revenue, making it New Zealand's second largest goods exporter. The sector supports over 92,000 jobs, 35,700 directly and an additional 56,700 indirectly employed. 38% of businesses employing trained workers earn more than \$1,000,000 in sales, compared to 16% of those without trained workers.

The Government has set a target of doubling the value of exports over the next ten years. This will require appropriate and targeted investment in the training of industry skills to build capability and capacity within the Primary Industries. To meet these export targets, we at B+LNZ believe the sheep and beef sector has the following requirements:

- a modern, relevant, flexible and adaptable VET system that recognizes the unique needs of geographically remote rural learners including Neurodiverse learners and foreign workers,
- a system that prioritizes workplace-based learning, offers a range of delivery options, and ensures that training is relevant to Primary Industry needs now and into the future. A one-size-fits-all approach is not suitable. This is particularly relevant to small volume seasonal training that is critically important for Primary Industries,
- commitment to sourcing industry leadership and advice for funding, course content and structure to ensure the Primary Industries future skill requirements are delivered.

A new approach to VET is necessary that prioritises learners, fosters innovation and ensures adequate funding enabling learners to succeed and building capability in our Primary Industries. We believe that neither of the current proposed options fully addresses our Primary Industry needs. The Workforce Development Councils (WDCs) have played a valuable role in strengthening the relationship between the sheep and beef sector and VET. To ensure these already realised benefits continue key functions such as independent skills, standard setting, moderation and qualification review development need to be retained within the new system.

To ensure the success of the sheep and beef sector, we advocate for a VET system that prioritizes a learner-centric approach, combined with flexible delivery models and industry-led governance. We also emphasize the importance of maintaining a separation between skills standard setting and programme delivery while ensuring adequate pastoral care. This is essential to enabling our sector to receive a skilled workforce that is ready for work on farm, and across the supply chain.

We have two key concerns about the proposed options. First that the learner is not the primary focus, and second being a lack of funding efficiency. These issues will hinder innovation in VET delivery and learner access to training. Additionally, reliance on volume-based funding, which is a one-size-fits-all approach, does not meet the unique needs of the Primary Industry and could lead to:

- a. inadequate support of pastoral care which can negatively impact learner outcomes,
- b. lack of support for micro-credentialled courses, which are highly valued in the Primary Industry and have been successful under the current funding models.

## 2. Introduction

Beef + Lamb New Zealand (B+LNZ) thanks The Ministry of Education (MoE) and the Tertiary Education Commission (TEC) for the opportunity to submit on the future of the vocational education system in New Zealand. Tertiary education and workplace training is crucial to the red meat sector to continue to build industry capability to remain world leaders in food production. We therefore welcome any opportunity to continue to work with education agencies to ensure the vocational education system enables learners to access high-quality, learner centric training provision that is aligned to current and future sector needs.

Our submission provides feedback on three proposals made:

- Proposal 1: Creating a healthy Institutes of Technology & Polytechnics (ITP) network that responds to regional needs.
- Proposal 2: Establishing an industry-led system for standards setting and industry training.
- Proposal 3: A funding system that supports stronger vocational education.

## About Us

B+LNZ is an industry-good body funded under the Commodity Levies Act 1990, through a levy paid on all cattle and sheep slaughtered in New Zealand (except bobby calves). B+LNZ represents both neurodiverse learners and sheep and beef levy-payers and has the mandate to submit on their behalf on matters that affect them. B+LNZ's levy payers include deer and dairy operations that also have dry stock livestock. When we refer to the sheep and beef sector, we are encompassing all these farmers who are involved in sheep and beef production, even if it's not their primary income stream.

The sheep and beef sector is an essential sector to maintaining rural communities and their cultural, societal, and environmental wellbeing, as well as contributing to the country's economic wellbeing. For the year ending 31 December 2022 the red meat industry contributed \$11.4 billion to New Zealand's export revenue. This making the sector New Zealand's second largest goods exporter. As New Zealand's largest manufacturing sector, it supports over 92,000 jobs, 35,700 directly (including but not limited to sheep and beef farmers, farm workers, agricultural contractors such as fencers, shearers, veterinarians, meat processors) and an additional 56,700 indirectly employed (including but not limited to scientists and researchers, stock feed manufacturing, financial services). Just under a third of New Zealand's total land area is used for sheep and beef (mixed agriculture), comprising about three quarters of pastoral lands.

The sheep and beef workforce are currently older than the national average, with 42% aged 55 or older (21% aged 65+ and another 21% aged 55-64). This aging trend could challenge future workforce sustainability. However, the Shearing Services industry has a much younger profile, with over half of the workforce under 35, and two-thirds identifying as Māori.

The policy environment for training and education is complex and requires 'industry' influence and a farmer voice to ensure that delivery models and frameworks are engagement friendly for farm employees and employers.

Research has shown that individuals who grow their skills, knowledge, and confidence in their work are more likely to remain in that work. This leads to increased confidence and capability across the sector, resulting in positive on-farm experiences and completing the cycle for attraction and retention.

Work based learning pathways continue to be a proven and successful model for upskilling the next generation in the sector and providing pathways that staircase people from both secondary and tertiary training into on-farm and agribusiness work and management

## Key recommendations:

- One size doesn't fit all; the rural learner has a high need for work based, practical and supported learning able to be completed without a requirement to travel to main rural town centres.
- Recognise and address the challenges for rural communities; particularly the limitations of rural connectivity, the seasonality of work on-farm and the challenges of distance to and accessibility by deteriorated rural roads to town centres and facilities.
- Provide a range of flexible training options beyond traditional classroom, online, and in-work delivery models. These options must consider the input of employers and meet the specific needs of individual primary industries. Learners must be at the centre of these options, with employers receiving the support necessary to effectively facilitate learning in the workplace.
- Keep the workplace-based learning that is ideal for the sheep and beef sector due to its focus on practical skills, industry-specific knowledge, flexibility, and relevance. Maintaining this approach ensures learners are building their capability and are well-prepared for future roles in the industry
- By prioritising pastoral care, training institutions can create a more nurturing and supportive environment that benefits everyone and supports improved learning outcomes
- Build on the benefits created by the Food and Fibre Workforce Development Council (WDC). The WDC has strengthened the relationship between the sheep and beef sector and VET. They ensure key functions are carried out independently and focus on industry needs. To maintain these benefits, the functions currently undertaken by the WDC for the Food and Fibre sector must remain in the new VET system.
- A collaborative approach among providers is crucial, rather than creating additional entities. New Zealand is simply too small to have a competitive model if we are to be successful and have a thriving well trained workforce that can help us meet the Governments export goals and lift the sectors production levels
- The funding model chosen must be long-term to ensure stability and reduce inefficiencies. Frequent changes due to government shifts will hinder the development of a sustainable and effective workforce for the food and fibre sector, New Zealand's largest manufacturing sector. With over 92,000 direct jobs and an additional 56,700 indirect jobs, the sector needs a clear vision and strategy that extends beyond three years to achieve tangible results.
- Based on the success of the Food and Fibre centre of vocational excellence (Food and Fibre CoVE) work, we recommend continued investment in research and innovation to transform VET and support the growth of the food and fibre sector. This will enable increased capability and professionalisation within the industry.
- To ensure that all learners can be catered for, B+LNZ recommend maintaining a hybrid approach that includes both digital and physical resources and a mix of hands-on practical learning within their local environments. This will help bridge the gap for those with limited internet access, support students with reading difficulties, and provide a more comprehensive learning experience overall.

## Question Responses

### Proposal 1: Creating a healthy ITP network that responds to regional needs

#### 14. Do you agree with the consultation document's statements on the importance of ITPs? Why / Why not?

B+LNZ do **not agree** with the consultation documents statements around the importance of ITPs when referring to the food and fibre sector. B+LNZ understands that ITPs are a vital part of New Zealand's education system and that they have a role to play, but they are not the only crucial player. For the food and fibre sector they form a relatively small training component where practical, work-based training is the primary and most valued method of learning by employers for those within the agricultural sector.

In general ITPs are poorly suited to the needs of many students within the food and fibre sector due to:

- ITPs provide a large-scale approach more aligned to university-like institutions. This does not provide a community-driven and industry-led approach to identify the core needs of both the student and the industry. B+LNZ supports a system that supports a learner centred VET.
- ITPs are generally large organisations, with a risk of, increased administrative red tape, large class sizes, and generic courses driven by a reality of needing to serve higher numbers of students over an individual student or small group centric learning approach known to support both learning and the application of skills into the workplace.
- ITPs often focus on providing diplomas and degrees focusing on the higher-level education, overlooking the importance of the agriculture focused certificate-level training.
- ITPs often overlook the crucial role of informal learning in skill acquisition.
- Prioritising ITPs and classroom-based delivery could inadvertently disadvantage Neurodiverse learners and Pacific Peoples. Additionally, it may not appropriately service a range of diverse learners, including neurodiverse.

***Due to historical practices and current concerns, ITPs may not be equipped to effectively address the specific educational needs of rural communities.*** This suggests a need for a new approach to tailoring courses that better meet the unique requirements of these communities. ITPs are well suited and have a role in providing large scale courses across New Zealand, particularly within urban areas. However, the food and fibre sector is better suited to a delivery model of technical courses suited to smaller class sizes and regional and community delivery. Our concern is that rural areas will not be served adequately by larger ITPs as it will be cost prohibitive for them to serve these communities and thereby disadvantaging those who live and work in these locations. The proposed system as a whole does not meet the rural community needs, it is not that the polytechnic model is not important for New Zealand, but the current and proposed funding model will make it difficult to justify the expense of delivering these programmes for the sheep and beef sector who maybe small in numbers but a significant contributor to the New Zealand economy as a whole.

*The estimated export revenue per worker in the Meat and Wool sector between 2020 and 2022 sector is around \$160,000 to \$175,000.*

The sheep and beef sector, like other sectors within the wider food and fibre industry in New Zealand, has characteristics that make workplace-based training a suitable and preferred approach for learners. Given the sector's economic importance, we need a system that recognises its needs and avoids a one-size-fits-all approach that may not be appropriate for all industries in New Zealand.

Prioritizing ITPs and classroom-based delivery could inadvertently disadvantage Neurodiverse learners. These groups often face unique challenges, such as limited access to traditional educational institutions, cultural barriers, learning environments and language differences. By focusing on ITPs

and classroom-based delivery, the proposals may overlook the specific needs and learning styles of these learners.

To ensure that all learners have equal opportunities to access quality education, it's essential to consider a variety of delivery models and support mechanisms. This could include online learning, workplace-based training, and culturally relevant delivery approaches. Additionally, providing adequate pastoral care and support services can help to address the needs of marginalized learners.

#### **15. What do you consider to be the main benefits and risks of reconfiguring the ITP sector?**

Reconfiguring the ITP sector is one element in many when it comes to New Zealand's education system. Without understanding the complete package, it is unclear how additional funding for restructuring the VET sector would impact other areas and where these funds might be allocated. This in turn makes it hard to define the main benefits and risks. As mentioned above the sector is unique to New Zealand and this needs to be accounted for. The proposed delivery model is overly restrictive and may not accommodate the specific needs of the sheep and beef sector, especially in rural areas. For example, the industry often operates outside of traditional 9-to-5 schedules, has differing seasonal workloads which require flexible training options. B+LNZ is concerned that ITPs have a perverse incentive to prioritize high-volume, high-profit courses over those that are truly needed by industry and rural communities.

*For example, senior shepherds and stock managers require more specialised training through a level four or five feed budgeting programme to be able to feed and maintain livestock to the required animal welfare and production standards on farm. But less numbers are needing this skill at one time than those needing to undertake ATV training which is needed by all farm workers and rural professionals who are on farm operating an ATV. Therefore, programmes like feed management get cancelled within their rural communities due to enrolment requirements to meet funding parameters and instead learners are asked to travel to urban areas to complete their training. This means not all those needing training are able to attend due to the nature of their roles, travel times and the time needed away from the farming operation that employs them being unrealistic and/or too costly.*

Additionally, ITPs often lack the resources and expertise to address the diverse learning needs of rural populations like this.

- Work-based delivery models are particularly important to the sheep and beef sector due to several critical factors and must be maintained in any VET system.
- Practical Skills: The sheep and beef industry demands a high level of practical skills, such as animal welfare and handling, land management, and machinery operation. Workplace-based learning provides the ideal environment for trainees to develop these essential skills through hands-on experience.
- Industry-Specific Knowledge: The sheep and beef sector has unique industry-specific practices, regulations, and challenges. Workplace-based learning allows trainees to gain in-depth knowledge of these aspects, ensuring they are well-prepared for the demands of the job. With increased requirements around employment law, health and safety, minimum wage and skills training costs it makes it very hard to employ new entrants into the industry without an education grounding and proven knowledge aligned to the roles they are seeking.
- Flexibility and Customization: Workplace-based training can be tailored to individual learners' needs and schedules, allowing for flexibility in training and accommodating the demands of rural and farm employee life. This is particularly important for the sheep and beef sector, where farm operations can be unpredictable and time sensitive.
- Relevance: Workplace-based learning ensures that training is relevant to the current and future needs of the industry, keeping trainees up to date with the latest practices and technologies. This is crucial in a rapidly evolving sector like sheep and beef.

- **Mentorship and Guidance:** Workplace-based learning often involves direct mentorship from experienced industry professionals that are involved in and around the farm business. This provides trainees with valuable guidance, support, and insights into the industry, helping them develop their skills and knowledge.
- **Cost-Effectiveness:** Workplace-based training can be more cost-effective than traditional classroom-based training, as it often leverages existing industry resources and facilities. This is particularly important for the sheep and beef sector, where resources can be limited, and costs can be high.
- **Workplace-based learning is crucial for the success of learners in the sheep and beef sector.** It supports learners' success because it is inherently applied in its approach while equipping learners with essential skills and knowledge, measuring competency, and producing a workforce that is ready for employment. This also benefits employers by providing a wider pool of qualified candidates for recruitment.

#### 16. Do you support creating a federation model for some ITPs? Why / Why not?

With the level of information provided we currently **do not support** the creation of a federation model as we have concerns surrounding its ability to effectively serve learners in rural communities or those requiring alternative delivery models. The decision-making and responsibility structures within a federation model are unclear. If the federation's primary function is to provide shared services, it does not constitute a true federation and may not offer financial viability for shared provision. The proposed model seems to be a hybrid of ITP provision, falling short of both Te Pūkenga and independent ITPs.

The dispersed nature and small cohort sizes of rural communities makes ITPs not well fitted to delivering programs for the sheep and beef sector. All learners, including Neurodiverse learners in the food and fibre sector have diverse needs. This includes living and working remotely, posing unique challenges that ITPs may not be adequately equipped to address. While a federation model with online solutions could potentially increase accessibility, research indicates that remote delivery is not suitable for all learners, and connectivity challenges persist still within our rural communities.

ITP models, which often involve fixed campus locations and structured academic calendars, can pose challenges for students who need flexibility due to factors such as:

- **Geographic Mobility:** Students may move to different regions for work or personal reasons, making it difficult to continue their studies at a specific ITP location.
- **Changing Career Goals:** Students may change their career goals or industry preferences during their studies, requiring them to switch programs or institutions.
- **Family and Personal Commitments:** Students may need to balance their studies with family and personal responsibilities, which can make it difficult to adhere to a fixed academic schedule.

These factors highlight the need for more flexible and adaptable learning models that can accommodate the diverse needs of students, particularly those who may need to move or change their study plans during their education

#### 17. What are the minimum programmes and roles that need to be delivered by the new ITP sector for your region?

A collaborative approach among providers is crucial, rather than creating additional entities. New Zealand is simply too small to have a competitive model if we are to be successful and have a thriving well trained workforce that can help us meet the Governments export goals and lift the sectors production levels. Collaboration fosters efficiency through a focus on operating in areas of strength,



sharing knowledge resources, and creates innovation through shared activity. While competition drives efficiency innovation through a focus on scale to reduce fixed costs per delivery, increasing demand through simplification of delivery, and using technology to reduce costs of delivery. Smaller providers, such as Private Training Establishments (PTEs), have been able to demonstrate agility and innovation in their responsiveness to industry needs, enabling them to serve rural areas, covering larger geographic locations particularly in rural areas, and meeting the rural learner and employer needs.

Additionally, we would recommend consideration is given to incorporating the following elements:

- Ability to service smaller class sizes. e.g. wool handlers only have 50 learners across the sector yearly but are an essential role required for wool harvesting across all sheep and beef properties especially fine wool.
- Focusing on industry-identified courses will ensure the education sector can better meet the needs of the workforce and contribute to the success of the sheep and beef industry.
- Flexible delivery models that align with farm sector needs, such as flexible hours, distance to main centres, seasonality of work and the practical nature of work. Flexible delivery models include options like online learning, part-time programs, and flexible scheduling to accommodate the demanding schedules of farmers meaning the 9am-3pm schedule usually offered in an ITP programmes just does not work for the on-farm learner.

Our focus must be on New Zealand as a whole, rather than regional perspectives. While regional variations exist, our primary goal is to contribute to the nation's growth and productivity. Not all regions have a strong sheep and beef focus, so ITPs in those areas may not need to offer relevant programs.

National plans and skills training must be based on research and market trends to ensure effective training and increased productivity. The work from the Food and Fibre CoVE has proven its value over the last few years and we believe their investment in research and innovation to enable the transformation of VET to enable New Zealand's food and fibre sector to thrive through the increased capability and professionalisation is essential into the future.

Collaboration across sectors with similar skill needs can lead to economies of scale and more efficient provision. And while the learner should always be at the centre, strong employer engagement is crucial to ensure that training programmes meet the specific needs of industry and are fit-for-purpose.

We support the wider industry views and believe experienced and recommended sheep and beef farmers should be actively involved alongside appropriate industry representatives in developing course content to ensure that training programmes align with the practical needs of our sector. Being a field-based sector, practical, hands-on training should be prioritised over theoretical learning to equip learners with the necessary competencies for successful farm work. Flexibility is a must and flexible options, such as micro-credentials, can better accommodate the demanding schedules of farmers. Seasonality of work streams can mean that learner is not exposed to an opportunity to hone a particular skill until 12 months have elapsed and thus sometimes make take two years to become proficient.

Training delivery models must be adaptable to the realities of farm work, avoiding extended periods away from the farm and robust pastoral care can provide essential support to learners throughout their training and transition into the workforce which will impact both completion rates and retention rates in the workplace long term. Offering flexibility in delivery modes, including smaller class sizes in isolated areas, will enhance accessibility and effectiveness. A system that recognizes and supports excellence among training providers is crucial for ensuring high-quality training that prepares candidates for on-farm work and meets the needs of the sheep and beef sector. This will help us maintain a competitive workforce with skilled workers ready to contribute.

## Proposal 2: Establishing an industry-led system for standards-setting and industry training

**19- 21: Which option do you prefer overall?? Why / Why not? What are the main features and functions that Industry Training Boards (Option A) need to be successful? Under Option A, how important is it that Industry Training Boards and non-Industry Training Boards be able to arrange industry training**

We believe that neither of the current options fully meets the needs of the sheep and beef sector. Both options demonstrate limitations in terms of innovation and strategy. A one-size-fits-all approach is not suitable, and we need a new approach that prioritizes learners, fosters innovation, and ensures funding follows learners. The sheep and beef industry needs both classroom and on-the-job training opportunities. We want proposals that combine these approaches more effectively. We recommend that a proposal is created that allows for this, and until that is provided, we continue using the current system.

While we value the Workforce Development Councils (WDCs) and their current functions, we believe it's essential to maintain a separation between standard setting and delivery. This could be achieved through separate business units, but not necessarily separate identities. A strong governance structure and a consistent approach would help minimise costs.

We advocate for a funding model that prioritises learners and avoids a volume-based approach. This will help ensure that rural communities, which often have smaller class sizes, are not disadvantaged. Additionally, we need to ensure that the system supports new and emerging market opportunities within the sheep and beef sector.

The quality assurance function, including moderation and assessment, remains essential. The WDC model has been valued for these functions, and the incubation period is still ongoing. We endorse Muka Tangata's proposal for a national, industry-led leadership and commissioning body that invests in skills and industry value. This body would arrange training and distribute funding to unified regional delivery entities. It would also incorporate most WDC functions, providing an industry voice within the VET system and offering workforce skills leadership, along with related academic services, products, and research and development.

We do, however, see some pros and cons of each option that we would like to highlight below in Table 1.

**Table 1: The pros and cons of Option A and Option B**

	<i>Option A</i>	<i>Option B</i>
<b>Pros</b>	<ul style="list-style-type: none"> <li>• Re-establishes the feedback loop between training and skills standards-setting.</li> <li>• Would allow PTE's or ITE's to administer programmes with high pastoral care needs whom are closer to users and know their own area/regions.</li> <li>• Less disruptive than Option B</li> </ul>	<ul style="list-style-type: none"> <li>• Offers greater certainty that funding will follow learners.</li> <li>• Will encourage providers to become more efficient and effective in attracting learners.</li> <li>• May provide more choices for learners and industry.</li> <li>• Likely to foster creativity and innovation.</li> <li>• Creates more opportunities for PTEs to collaborate with ITPs which would</li> </ul>

		level the playing field between providers.
<b>Cons</b>	<ul style="list-style-type: none"> <li>Limited outlook on new ideas and future innovation. Also fails to offer a clear vision or strategy.</li> <li>Has similar aspects that could be considered the equivalent to farmers developing and auditing their own farm assurance plans.</li> <li>Concern it will be funded through training delivery – becoming volume based. This would result in innovation and new delivery being centred on already large volume provision. Leaving rural communities behind as smaller class sizes being typical for rural providers.</li> <li>The model risks only looking after existing provision and industry and not support new or emerging market.</li> </ul>	<ul style="list-style-type: none"> <li>Could potentially lead to increased competition among providers, which may not always be beneficial. It could increase the administrative burden on providers, as they may need to spend more time marketing their services and competing for learners</li> <li>May require careful monitoring and regulation to ensure quality standards are maintained.</li> </ul>

To ensure a competitive and sustainable sector, we need a system that:

- Prioritizes learners and their needs.
- Fosters innovation and creativity.
- Ensures funding follows learners.
- Maintains a separation between standard setting and delivery.
- Supports a range of delivery models, including workplace-based training and flexible options.
- Recognizes and supports excellence among providers.
- Key performance indicators (KPIs) should focus on learning outcomes rather than simply measuring enrolment. They should prioritize the quality of learning, not just the quantity but ensures equal access to funding opportunities and standard-setting processes for all providers.

The model risks only looking after existing provision and industry and not supporting new or emerging markets. There is also a need for connectivity with the rest of the system. All providers need the same access to funding opportunities and standard setting processes to ensure there is ability for programme consistency. Training boards should not be required to arrange training. B+LNZ agrees with Muka Tangata that training arrangements must remain integrated with delivery rather than separated into WDC functions. This will ensure more consistent approach, and less disconnect between qualification and employment.

It's crucial to ensure that learners remain the priority, and the majority of funding should be allocated to supporting them, rather than increasing processes and bureaucracy, as has happened in the past

**22. What are the main features and functions that industry standards-setters (Option B) need to be successful?**

Arranging training could more consistently meet industry needs if there is a closer relationship to industry. Standard setting needs to be industry guided and governed. The red meat industry is integrated with processing within the industry, so we support it being integrated as a WDC.

An industry-led organisation, similar to the current WDC and Muka Tangata, is crucial for ensuring collaboration, sustainability, and the effective delivery of standards, commissioning, and brokering services within the food and fibre sector. We support Muka Tangata's proposal to establish a dedicated organization focused on these functions.

### **23. Are there any key features of the Workforce Development Councils that need to be retained in the new system?**

The WDC's independence is valued, and its industry-focused approach is a significant improvement over the previous model. B+LNZ has found the current WDC ability to collaborate and bring together collective voices across the sector powerful. As previously stated, to ensure qualifications are relevant and meet industry needs, WDCs must maintain a strategic focus on skills leadership. This involves serving as a bridge between their constituent industries, TEC, and providers.

The establishment of workforce development councils (WDCs) has strengthened the relationship between the sheep and beef sector and the VET system. It has also ensured that key functions, such as skills standard-setting, qualification development, and analysis, are carried out independently and with a focus on meeting the specific needs of the sheep and beef industry, as well as the wider sector. To maintain this independence and benefit all sectors, we recommend that these functions remain within the new system.

The benefits for the sheep and beef sector on the new adaptation to WDC would support, for example, the training of 20 sheep scanning technicians a year. There is currently no classroom-based or workplace-based learning available in this field. The demand is too small to develop programmes for itself and to offer workplace-based learning, and no provider will develop (and seek funding for) a programme because it will likely be low-volume. Therefore, the WDC would directly commission a programme for sheep scanning technicians, would set standards and develop any necessary qualifications, and would fund the required number of places with sufficient amount and certainty of funding to ensure ongoing provision. Trained sheep pregnancy scanners play a crucial role in the New Zealand sheep farming industry. Accurate pregnancy scanning allows farmers to:

- Improve breeding efficiency
- Enhance lamb survival rates
- Optimize feed management
- Improve lambing management
- Enhance market access

### **24. Are there any key features of how the previous Industry Training Organisations worked that should be re-introduced in the new system?**

B+LNZ recognise that there were features of ITOs that worked and should be reintroduced in the new system including the ability to adjust resources to meet changing needs, such as contracting private providers when necessary.

Private providers are essential for offering quick and accessible training to rural learners. Employers cannot afford to have staff away from the farm for extended periods. Without private providers, serving dispersed rural communities would be challenging. We need a system that recognizes and supports excellence among training providers to ensure the best ITOs offer high-quality, practical courses that prepare candidates for on-farm work. Experienced farmers should be involved in designing and reviewing course content to ensure it's relevant to everyday sheep and beef farming, rather than focusing solely on theoretical concepts. Prioritizing practical, hands-on training over

theoretical or book-based learning is crucial to reflecting the competencies required on farms. B+LNZ values the pastoral care aspect of ITOs and PTEs. Their ability to communicate directly with employers and employees provides valuable feedback, timely responses to challenges, and opportunities for continuous improvement. Prioritizing pastoral care fosters a supportive learning environment that benefits everyone, leading to improved learning outcomes, higher completion rates, and increased confidence levels.

While tertiary education provides a theoretical foundation, practical skills are essential for success in the sheep and beef sector. Micro-credentials and short courses can bridge the gap between theory and practice, develop industry-specific skills, and enhance employability. These programs can help graduates stay up to date with industry trends and support career progression.

## **25. What are the possible benefits and risks of having a short moratorium on new industry training providers while the new system is set up?**

The proposal fails to address the potential disruption this could cause, adding to the significant confusion and challenges experienced by industry, employers, trainees, and learners over the past five years.

## **Proposal 3: A funding system that supports stronger vocational education**

### **26. To what extent do you support the proposed funding shifts for 2026?**

B+LNZ is **strongly opposed** to the removal of the strategic fund and the repurposing of equity funding to prop up ITPs. The proposed return to volume-based funding will have an undue impact and will set the system up to fail with not meeting learner or industry need. It infers that work-based learners are less valued than campus-based.

This raises concerns that funding may be diverted from workplace-based training to support standard-setting. Suggesting a potential prioritisation of standard-setting over workplace-based learners which could lead to underfunding of both standard-setting and work-based learning provision. Funding diversion from workplace-based training will negatively impact rural vocational education. It will lead to reduced access to training, inadequate skills development, increased reliance on foreign workers, decreased productivity, and limited career pathways. Addressing these issues is essential for the success of rural communities and the overall success of our sector.

The current proposal undervalues and puts financial pressure onto work-based learning delivery. Prioritizing standard-setting over workplace-based training will negatively impact the sheep and beef sector. It is highly likely to lead to reduced access to training, decreased skill development, weaker industry performance, increased reliance on foreign workers, and limited innovation. To mitigate these risks, both standard-setting and workplace-based training need adequate funding and support.

The funding for the WDC equivalent will unfairly penalise ITOs and should be equitably levied across all providers using the programmes.

There is no recognition of learner need in proposal 3, which is an inequity, and the result will be a funding system that 'cherry-picks' learners pre-disposed to success leaving behind potential and disadvantaged learners. For example, a sheep and beef farmer in a remote rural area may need to access VET programmes during the off-peak farming season, such as winter. However, a volume-based funding model might prioritise programmes that can attract the most students year-round, potentially neglecting seasonal needs. This could lead to limited training opportunities for farmers in remote areas, hindering their ability to upskill and adapt to changing industry conditions.

## **27. What benefits and risks need to be taken into account for these changes?**

Historical data indicates that the current funding dispersals per learner, both campus- and workplace-based, are insufficient to provide adequate pastoral care.

Pastoral care in training is essential for creating a supportive learning environment. It benefits learners' emotional well-being, motivation, personal development, and academic success. Effective pastoral care involves active listening, mentorship, counselling, community building, and collaboration. By prioritising pastoral care, training institutions can create a more nurturing and supportive environment that benefits everyone and supports improved learning outcomes. Even if campus-based funding is restored to pre-UFS levels, there will still be a shortage of quality pastoral care for learners.

Many VET programmes that are strategically important to the sheep and beef sector (for example, relating to shearing or sheep pregnancy scanning) are unlikely to attract sufficient learner numbers to be financially sustainable in a volume-based funding system. Current funding rules and incentives make it challenging for providers to offer and learners to obtain micro-credentials and skill portfolios, especially when multiple providers offer the necessary components. Consequently, only high-volume micro-credential programmes are financially sustainable. This model hinders the sheep and beef sector's ability to fill critical roles, such as farm machinery operators, wool handlers, fencers, velvet harvesters, and sheep scanners to name a few. The sector faces a significant shortage of these skilled workers, which impacts productivity and profitability as well as adding risks from a health and safety, financial, and animal welfare perspective to farm businesses. Additionally, it impedes the development of innovative programs and delivery methods.

## **28 - 30 General views of the funding model:**

We need a funding model that provides appropriate compensation for micro-credentialled courses and factors in non-completion rates.

Limited funding hampers our ability to compete effectively. A flexible funding model that supports hands-on training and pastoral care is crucial for the sheep and beef sector. This will help ensure:

- Industry-focused training during a time of labour shortages.
- Hands-on support for students.
- Regular and relevant pastoral care.
- Support for employers to maintain productivity.

Volume-based funding is not an effective approach for training. It does not [provide flexibility for the sheep and beef sector and can result in funding gaps because of enrolment numbers even if they are essential for meeting industry needs. We advocate for a complete overhaul of this model. The funding model should also adequately compensate for micro-credentialled courses and consider non-completion rates.

Funding models should support the training of trainers to ensure that programs are delivered effectively. Not all farmers or experts are naturally skilled trainers, and different learning styles must be considered when developing programs. Adult learning principles should also be incorporated.

The difficulty in finding and retaining good trainers is a growing concern. To address this, we must recognize and reward their contributions appropriately

The chosen model must be long-term to ensure stability and reduce inefficiencies. Frequent changes due to government shifts will hinder the development of a sustainable and effective workforce for the food and fibre sector, New Zealand's largest manufacturing sector. With over 92,000 direct jobs and an additional 56,700 indirect jobs, the sector needs a clear vision and strategy that extends beyond three years to achieve tangible results

### **31 – 33. Concluding Questions:**

There is a concern that isolated learners, especially those in remote or underserved areas, may face significant barriers due to inadequate broadband connections. Reliable internet access is a crucial component for participating in online learning, and without it, these students are at a severe disadvantage. Approximately 13% of rural households lack access to reliable broadband connections. The digital divide can exacerbate educational inequalities, leaving some students behind. More details on the nature and extent of connectivity issues for rural users can be found in the March 2023 report from 'Research First' –“Rural Users Digital Connectivity Experiences”<sup>1</sup>.

Secondly, there are learners who have difficulties with reading and comprehension. These students often rely on a variety of learning materials and methods to support their education. Additionally, they are often practical learners who learn best through a hands on on-farm approach. In many circumstances this does not correlate with an online platform or approach which, can limit the learners access to resources that cater to their specific needs, such as tactile learning materials and printed texts, which are essential for their success.

Furthermore, the importance of hard copies of resources and papers cannot be overstated. Additionally, having the option to use hard copies allows for greater flexibility and personalisation in teaching and learning methods, accommodating the diverse learning models of our student body.

To ensure that all learners can be catered for, we recommend maintaining a hybrid approach that includes both digital and physical resources and a mix of hands-on practical learning within their local environments. This will help bridge the gap for those with limited internet access, support students with reading difficulties, and provide a more comprehensive learning experience overall.

Our sector plays a fundamental role in New Zealand's economy, food security, and community wellbeing. However, attracting and retaining young talent continues to be a challenge and a missed opportunity for New Zealand. By expanding trade academy opportunities within schools, we can address this challenge effectively. Early exposure to the various career paths in agriculture can spark students' interest and enthusiasm, providing them with practical skills and knowledge that are highly relevant to our industry.

Between 2015 and 2021, 426,948 young people left school, according to Statistics New Zealand (IDI) as reported in the recent Secondary School Transitions and Pathways to VET and Employment project report completed by the Food and Fibre COVE. You can view the full report from the link at bottom of this submission<sup>2</sup>. However, even now, with 10,500 funded places for Trades Academies, this programme is being offered to a significant minority of students. We believe a lot more students could benefit from experiencing aspects of a career in agriculture if there were more Trades Academy places available. The programmes offered now are still only meeting the minority of school students. The report also highlights the difference between those who have completed trades academy compared to those who haven't and the positive effects it has to students entering employment in the

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<sup>1</sup> <https://www.mpi.govt.nz/dmsdocument/58336-Rural-Users-Digital-Connectivity-Experiences-March-2023>

<sup>2</sup> <https://foodandfibrecove.nz/project/secondary-school-transitions-and-pathways-to-vet-and-employment/>

food and fibre sector and also being retained. (refer to pages 16-26 of the report mentioned above for more supporting statistics).

Studies have shown that early career exposure significantly enhances student retention in the sector. When students understand the potential and opportunities available in agriculture from a young age, they are more likely to pursue further education and careers in this field. This not only benefits the students, providing them with stable and rewarding career paths, but also strengthens the agricultural sector by ensuring a steady influx of motivated and skilled professionals.

The expansion of trade academy programmes will also contribute to the overall growth and innovation within the sector. As more students gain hands-on experience and training, they bring fresh perspectives and new ideas that can drive advancements and improvements in agricultural practices. This is essential for maintaining our sector's competitiveness and sustainability in the long term.

In light of these benefits, we strongly support initiatives to increase the availability of trade academy places in schools for the agricultural sector. This strategic move will have a profound impact on both the students' career prospects and the future vitality of our industry



## Conclusion:

Beef + Lamb New Zealand (B+LNZ) appreciates the opportunity to provide input on the redesign of the vocational education and training (VET) system. The sheep and beef sector is a crucial part of New Zealand's rural economy, contributing significantly to export revenue and employment. However, the sector faces unique challenges that the current VET system and the current proposal does not fully address.

A learner-centric, flexible, and industry-led approach is essential for the success of the sheep and beef sector's training needs. We advocate for a system that embraces workplace-based learning, supports a range of delivery models, and ensures funding is allocated based on learners' needs rather than volume-based metrics. It is also crucial to maintain a separation between standard setting and delivery, retain the strengths of the Food and Fibre Workforce Development Councils (WDC), and provide robust pastoral care to ensure positive learner outcomes.

We urge the Ministry of Education and the Tertiary Education Commission to consider these recommendations to create a more inclusive and effective VET system that isn't polytechnic dominated. Such a system will better serve rural communities, support New Zealand's economic growth, and ensure a skilled and capable workforce for the future of the sheep and beef sector.