

## SURVEY QUESTIONS AND TEU RESPONSES

### Demographic information

Questions 1-7 involve demographic information

### Managing Work-based Learning

*The Orders may outline that, during the time that an ISB is managing work-based learning (WBL), the ISB would need to use the associated assets and income to support WBL provision (and potentially some related governance and management costs).*

Q.8 Do you support the proposal that ISBs will need to use the assets and income they receive for WBL to deliver those activities and meet some governance and management costs?

- Yes
- No

Q.9. Would you like to provide further information about the proposed requirement for how ISBs should manage assets and income for WBL?

TEU strongly supports safeguards that prevent cross-subsidisation and ensure transparency in the use of assets and income. It is essential that work-based learning (WBL) funds are ring-fenced for their intended purpose, with clear accountability and reporting requirements to ensure that resources are used effectively and equitably to support learners, staff, and industry needs. Without these protections, there is a risk that funds will be diverted in ways that undermine the quality and accessibility of vocational education.

Given the survey has limited scope to elaborate on certain areas that are under consultation, below are a number of broader concerns about the resourcing and functioning of ISBs.

We reiterate our concerns about the decision to shift responsibility for WBL to Industry Skills Boards (ISBs). ISBs are not education providers and therefore lack the infrastructure, expertise, and pastoral frameworks necessary to support the diverse needs of work-based learners. Handing this responsibility to newly formed, non-educational bodies risks creating significant gaps in learner support, particularly for Māori, Pacific, disabled, and other underserved learners. Such disruption during a period of organisational transition is likely to increase disengagement, inequity, and attrition.

We also have serious concerns about the resourcing and functioning of ISBs. Evidence from Workforce Development Councils shows that there is already barely enough

funding to cover the core functions of qualification-setting and standards maintenance, with little to no capacity to absorb the additional governance and management costs of WBL. Reliance on charging for some functions is unlikely to generate sufficient income to bridge this gap. This creates a serious funding shortfall that risks forcing ISBs either to divert resources away from core standards-setting and quality assurance, or to deliver WBL management in a bare minimum, compliance-only fashion.

To avoid this outcome, we recommend that the Orders require the Tertiary Education Commission and the Ministry to ensure adequate funding for all statutory functions, including WBL, so that ISBs are not structurally underfunded from the outset.

In relation to collaboration, we support the principle of including clear obligations for ISBs to work with each other, providers, NZQA, and occupational regulators. Collaboration is essential to avoid duplication, address cross-sector issues, and deliver coherent outcomes for learners and industry. However, without additional resourcing or confirmation of shared services, these obligations risk being impractical or tokenistic. With eight ISBs replacing six WDCs—but with significantly fewer staff and less resourcing—there is a serious risk that collaboration becomes an additional compliance burden that diverts scarce staff capacity away from core qualification and engagement work.

One of the major critiques of WDCs was their tendency to work in silos, even though they benefited from shared corporate services in finance, HR, ICT, and reporting functions that supported collaboration across entities. No such support has been proposed for ISBs. It is therefore difficult to see how eight smaller, under-resourced entities will be able to collaborate more effectively than six better-resourced WDCs.

To make collaboration requirements meaningful and achievable, the Orders should require TEC or the Ministry to provide ISBs with access to shared services or a funded collaboration mechanism, ensure that obligations are proportionate to ISB capacity, and mandate regular cross-ISB reporting on joint initiatives. Without these safeguards, collaboration risks becoming an unfunded mandate that repeats the weaknesses of the WDC system.

## **Collaboration Requirements**

*The legislation will require ISBs to collaborate with each other, as well as providers, NZQA, and occupational regulators. We are proposing that the Orders clarify this by specifying that ISBs need to identify sectors where close collaboration with other ISBs is needed to meet training needs, and work together to serve those sectors.*

Q.10 Do you support including specific obligations in the Orders in Council for ISBs to collaborate with each other?

- Yes

- No

## Industry Engagement

*We are proposing that the Orders in Council set out some requirements for how an ISB must engage with the industries and sectors it covers. Do you support including each of the following proposed requirements?*

Q.11 Do you support requiring an ISB to establish sufficient national advisory groups for its industries to provide input into its work?

- Yes

- No

Q.12 Do you support clearly specifying that one role of these groups is to hold the ISB accountable for its performance?

- Yes

- No

Q.13 Do you support requiring an ISB to engage with industry associations and peak bodies in their industries?

- Yes

- No

Q.14 Do you support requiring an ISB to develop ways to engage with their industry in addition to the national advisory groups?

- 1.1.1. Yes

- No

Q.15 If you consider that the Orders need to specify other industry engagement requirements, please note those below.

We believe that industry engagement must extend well beyond employers and peak bodies. Effective engagement requires the inclusion of unions, professional associations, learners, Māori and Pacific communities, and other equity groups. Giving effect to Te Tiriti o Waitangi is essential, with iwi and hapū having a direct role in shaping industry training. Without these perspectives, advisory groups risk privileging employer interests over those of learners, workers, and communities. Unions, in particular, play a crucial role by representing the collective voice of workers, offering insight into training needs, workplace safety, and the realities of how qualifications function in practice.

We are also deeply concerned about the loss of Māori and Pacific specialist roles in the proposed ISB structures. This significantly reduces cultural capability at a time when vocational education should be strengthening equity outcomes. Combined with limited staffing for qualification development and quality assurance, ISBs will likely be restricted to delivering basic compliance rather than meaningful engagement or proactive strategic development.

To address these risks, the Orders should set minimum engagement standards, require co-design and culturally grounded practices, and mandate the publication of engagement outcomes, while ensuring adequate resourcing for industry engagement and qualification work.

Further risks arise from structural inequities between ISBs. Some, such as the Electrotechnology ISB, will cover relatively few sectors, while others, like the Services ISB, must manage a very broad range of industries and qualifications with far fewer staff. This imbalance will inevitably lead to inconsistent industry engagement, weaker strategic planning, and inequitable outcomes for learners and industries served by the more thinly resourced ISBs.

To avoid these disparities, we recommend that the Orders include provisions for proportionality, requiring the Tertiary Education Commission to consider the number of industries, qualifications, and learners covered when setting expectations, monitoring performance, and allocating resources. Without such safeguards, the system risks entrenching uneven quality and inequitable access across different sectors.

### **Statement of Strategic Direction for Each ISB**

*We are proposing that each ISB must develop a statement of strategic direction in partnership with its industries. The ISB must consult with the Minister for Vocational Education and providers of vocational education on this statement and may choose to consult with other stakeholders.*

Q.16 In addition to its industries, the Minister and VET providers, are there other types of stakeholders that the ISB should be required to engage with on the Statement?

- No, the ISB should only be required to engage with its industries, the Minister and VET providers
- No, the ISB should not be required to engage with anyone other than their industries
- Yes

Q.17 If you selected yes, please list the types of stakeholders that should also be consulted below

It is our view that consultation on an ISB's Statement of Strategic Direction must extend beyond industries, the Minister, and vocational education providers to include unions, learners, iwi and hapū, equity groups, and community and regional representatives. This wider engagement is essential to give effect to Te Tiriti o Waitangi, to reflect the diversity of learners and staff, and to recognise the vital place-based role of vocational education in supporting local development.

Additionally, we are concerned that the proposed ISB organisational structures lack the capacity to deliver meaningful strategic direction. In at least one proposed structure we have seen, all roles apart from the Chief Executive are tied to operational functions, with no dedicated policy, strategy, or corporate services staff. With only a handful of engagement roles and a single data analyst, it is difficult to see how ISBs—especially the Services ISB, which has the largest scope—will be able to undertake robust consultation, data analysis, and performance reporting while meeting day-to-day operational demands.

This mismatch between scope and resourcing makes it highly unlikely that ISBs will be able to deliver on the Orders' intent to embed meaningful engagement and forward-looking planning. Without scaling resourcing to reflect the size and complexity of their sectors, ISBs risk producing superficial engagement and minimal compliance-focused reporting.

We recommend that the Minister consider these resourcing implications when setting obligations, to ensure ISBs are not placed in a position where they are unable to meet their legislative requirements—mistakes similar to those made under WDCs must not be repeated.