Advice from Workforce Development Councils to support the Tertiary Education Commission in making decisions for investment in 2024

This guidance document is designed to provide Workforce Development Councils (WDCs) with more clarity on providing advice to the Tertiary Education Commission (TEC) for investment in 2024. The document covers the following areas:

- Advisory function of WDCs
- Timing of advice
- Types of advice
- Evidence-based advice
- Framing advice
- Key definitions

We expect to refine this guidance document and the areas it covers through engagement with WDCs as we head toward investment in 2025.

Advisory function of WDCs

WDCs can help TEC make high-quality and prioritised decisions around investment in vocational education and training by providing us with the industry and employer voice on their skills needs.

Through the endorsement function of WDCs, we expect their advice to be reflected in the programmes proposed for delivery by tertiary education organisations (TEOs) and to inform their activities throughout the year.

Advice from a WDC can help TEC create a dynamic system that delivers lifelong learning and equips industry, employers, learners and communities for success.

WDCs have been established to give their industries and employers greater leadership and influence across vocational education and training, particularly supporting a stronger voice for Māori business and iwi development.

WDCs will lead industry, employers and businesses, and work with Regional Skills Leadership Groups (RSLGs), to form a view of the current and future skill needs of their industries. They will anticipate workforce changes and the likely effect of those changes on the quantity and type of skills required by their industries.

WDCs will translate this view for TEC by providing advice on its overall investment in vocational education and training, and more specifically by advice on the mix of vocational education and training. TEC will use this advice to inform its investment decisions.

Through their standard setting and endorsement functions, WDCs will ensure new and existing programmes delivered by TEOs, and those that TEC invests in, reflect their advice on the skills needs of industry and employers.

Timing of advice

The timing of advice for 2024 is changing to better align with the TEC investment round. This will enable us to publish clear priorities in time for providers to respond in their Investment Plans due in July 2023.

Advice will be submitted in two parts. Theme-level advice will come first and be incorporated into the broader priorities for investment that will be published in Plan Guidance in February 2023. In April 2023 we will seek advice on the mix of vocational education and training that will inform content in Supplementary Plan Guidance, published in early June 2023.

TEC welcomes careers advice from WDCs at any time.

Advice on the broader priorities for investment and the national and regional skill priorities – due 5 December 2022

Advice on our draft broader priorities for investment is due on 5 December 2022. Our broader priorities tell providers what TEC wants to see across their practice and provision.

The broader priorities have been created based on the broader priorities (from government) published in Plan Guidance in February 2022, the additional investment priorities informed by WDCs and RSLGs published in Supplementary Plan Guidance in June 2022, the cross WDC workforce development plan themes document shared with us and the regional workforce plans from RSLGs.

Where advice from WDCs aligns with current broader priorities or provides something new that is strongly evidenced as a need relevant to tertiary education as a whole, we will incorporate the advice into TEC's broader investment priorities. These broader investment priorities will be published in Plan Guidance in February 2023.

For 2024, the broader priorities will also form the national and regional skill priorities (NRSPs) for the allocation of the strategic component of the Unified Funding System (UFS). For the strategic component, we will look at a provider's alignment with the published broader priorities, and at how their submission identifies provision and/or skill needs identified in the relevant WDC workforce development plan or RSLG regional workforce plan.

The December advice falls into the "have regard" category. We will look to incorporate it into TEC's investment priorities wherever it aligns with current thinking or where it is sufficiently evidenced. For this category of advice, we will not include items that are not aligned with other government priorities and the evidence is not clear.

Where there are additional priorities put forward that are outside current thinking, we will look for justification. This is likely to be a lighter requirement than the evidence we are seeking for the advice for the mix of vocational education and training, but we want to understand your thinking so we can accurately test it. This advice may be considered as part of the advice received in April 2023.

WDCs may want to provide TEC with advice to inform our careers information service. The service helps New Zealanders understand the range of roles available and the skills required to support those roles. We encourage WDCs to provide us with careers information when giving advice in December 2022. However, WDCs can provide advice on careers at any time.

Specific advice on the mix of vocational education and training – due 6 April 2023

This is the opportunity for WDCs to identify specifics on the mix of vocational education and training for 2024. Information on the elements of a mix of vocational education and training are outlined later in this document.

TEC needs to receive advice on the mix of vocational education and training by 6 April 2023 if we are to include it in Supplementary Plan Guidance in June 2023.

WDCs can choose to publish information that informs their mix of vocational education and training advice to TEC on their website at any time and include it in their workforce development plans.

Types of advice

This table provides a high-level overview of the different types of advice TEC anticipates receiving from WDCs in 2024. More detail on the advice types “have regard” and “mix of vocational education and training” which will inform investment in 2024, can be found after the table.

Type of advice	Guidance
Have regard	Advice that supports an overall improvement of performance in the vocational education and training system. Examples could be: ❖ The construction industry wants providers of construction training to show how they have developed programmes in consultation with Māori businesses in their regions. ❖ The fibre industry wants to see evidence of how providers have built relationships with fibre employers so learners have clear pathways to work. ❖ The aviation industry voices concern around low numbers of Māori with skills to take up roles. They wish to see providers doing more to attract Māori trainees.
Give effect (specific advice for investment in mix of vocational education and training)	Specific advice on the themes above: ❖ New Zealand Qualifications and Credentials Framework (NZQCF) level – prioritise funding for hospitality programmes at Level 4. ❖ Mode of delivery – fund less extramural training for manufacturing training. ❖ Location of delivery – fund more aviation delivery in Queenstown.

	❖ Type of qualification – prioritise micro-credentials for upskilling community and residential care workers.
Careers advice	Advice that helps TEC maintain a careers information service that includes relevant and up-to-date information about occupations and the skills needed. ❖ Occupation profiling – does TEC need to create new profiles? Are the skills in the current profiles still relevant? Is industry recommending changes to the profiles and why? ❖ Barriers and equity – what are the gaps in the system creating barriers to all New Zealanders accessing careers advice, information and support in your sectors? ❖ Highlighting career pathways and options – are there role models in organisations/industries who can help promote the variety of pathways into the sector and opportunities to challenge stereotypes with Inspiring the Future? For example, are there women already working in the construction industry who could take part in Inspiring the Future?
Vocational education and training policy issues	If TEC receives advice that sits outside of its investment function but has clear links to tertiary education and training, WDCs and RSLGs are encouraged to work directly with the relevant agencies and organisations. An example might be working with the Ministry of Education around wider policy settings and fund-specific requirements.

Have regard

WDCs can provide advice about one or more of their industries and identify broader factors that we should consider when investing in vocational education and training. This is advice that TEC must "have regard" to and that can support an overall improvement of performance in vocational education and training.

TEC is required to consider this advice and take it into account when making investment decisions, but we are not required to act on it. That is, it is open to us to choose to follow the advice, or not, provided we have considered it.

TEC will genuinely consider the advice and will be more likely to act on the advice when there is supporting evidence and a clear link to government priorities, the Tertiary Education Strategy and industry needs. TEC will provide explanations back to WDCs on how their advice has been considered, including when and why we may have been able to act on it.

As part of a joined-up system approach to meeting skills need across Aotearoa New Zealand, TEC will consider advice provided by RSLGs, where we can influence a positive vocational education and training outcome.

RSLGs can inform WDCs about specific regional issues and share insights about what things are working best for their regions. They are ideally placed to act locally and influence employers and providers in the regions. We need RSLGs to use these levers and expect WDCs and RSLGs to work together so that WDC advice can take note of the RSLG regional insights in their regional workforce plans.

Give effect – mix of vocational education and training

The advice from WDCs on the mix of vocational education and training, due in April 2023, will look specifically at what TEC should invest in. We will need to see and consider several elements to the advice so we can give effect to it.

The first element is the subject/industry classification. This helps us identify what vocational education and training needs to change. The classification should be at a level where we can easily identify associated qualifications, micro-credentials and programmes.

However, the subject/industry classification will need to be combined with one or more of the following elements.

Element	Example
Subject/industry classification	We want to see more investment in pilot training. Note: The examples of "we want to see more investment in health or hospitality" is too broad, given the scope of qualifications and occupations they cover.
Type of qualifications and micro-credentials available	Prioritise micro-credentials for carpentry training.
Level at which qualifications and micro-credentials are offered	Prioritise investment for cookery qualifications at Level 4.
The **mode** of delivery for programmes and micro-credentials	TEC should invest in more work-based construction training.

If a WDC wants to provide a regional lens in their mix of vocational education and training advice, then TEC would expect it to be supported by the relevant RSLGs.

It is important to note there are some constraints that could affect TEC's ability to give effect to advice from a WDC on the mix of vocational education and training. The constraints are:

- **financial** – TEC can only invest what has been made available in the government's Budget. This may limit our ability to give effect to advice, particularly when it is about a higher volume. TEC will work with WDCs when exercising its judgement on how to balance competing priorities within available funding.
- **regulatory** – TEC must operate within the confines of funding mechanisms. The conditions within a funding mechanism may constrain how TEC can give effect to advice. For example, if a WDC wants to see more pilot training delivered, this may not be possible as this training has a cap defined in the funding mechanism.
- **availability of programmes and qualifications** – TEC will only be able to give effect to advice if the specified vocational education and training qualification, credential or programme already exists and a TEO presents a request to TEC to fund that programme.

TEOs may also have constraints on their ability to increase the volume of delivery or to deliver in certain regions. It is essential that WDCs have good engagement with TEOs on what they are looking

for in the mix of vocational education and training. Where there is a gap in delivery, TEC will work with WDCs, RSLGs and TEOs on potential solutions.

Evidence-based advice

If WDCs are to give industry greater leadership and influence over vocational education and training, TEC needs to understand how industry, Māori businesses and employers have influenced your investment advice. This helps us give our stakeholders confidence that industry is influencing the shape of vocational education and training as envisaged through the Reform of Vocational Education.

WDCs can help TEC make sound investment decisions by sharing the evidence that supported the development of their advice from industry. The evidence we receive should be at a summary level that tells the story of how you collected your evidence and how this links to your recommendations of skills needs identified by your industries. We do not need the source documents in full. References to a page or chapter from a research paper, a workforce development plan or a regional workforce plan is helpful.

We need to understand what qualitative and/or quantitative sources of information WDCs used to identify the skills needs of industry, iwi and Māori businesses and employers and inform the investment advice. This might be:

- qualitative sources such as workshops, surveys, interviews and research papers
- quantitative sources such as workforce information, the Integrated Data Infrastructure or other suitable data.

TEC is unlikely to consider allocating additional funding where we receive advice for programme growth without any supporting evidence, especially where we would not normally prioritise funding for that programme.

RSLGs have an important role in providing insights specific to the regions and sub-regions. TEC expects to see RSLG priorities in your advice. We believe the best outcome can be achieved when WDCs and RSLGs work collaboratively and use their respective levers. RSLGs will need WDCs to respond to their insights on new qualifications and programme content (through their endorsement function) and RSLGs have vital connections to local business and TEOs.

As TEOs are an essential part of the vocational education and training system and are fundamental to enacting changes sought by industry, it would be helpful to see how WDCs have engaged with TEOs to understand how they can operationalise the advice.

Framing advice

TEC and WDCs have agreed it would be helpful to use the framework below to guide their advice. This framework intends to help TEC understand the exact nature of the advice from a WDC and to minimise the risk of that advice being lost, misinterpreted or falling outside of TEC's role of funding tertiary education providers.

Type of advice	❖ Have regard – broader advice that influences a TEO's approach to delivering more effective vocational education and training for industry, employers and learners ❖ Give effect – specific advice on mix of vocational education and training

	❖ Careers advice – advice that helps TEC maintain a current careers information service ❖ Vocational education and training policy issues – advice that sits outside of TEC's investment function but has clear links to tertiary education and training
Define the issue	Help TEC understand the workforce pipeline issue or the immediate need that should be resolved to support industry/employers to get the skills they need. Define the intended end-state a WDC is wanting to achieve and how this benefits employers, industry and learners. Explain how the scale/importance of this issue compares to other issues identified within and between industries a WDC is responsible for.
Source of information	Help TEC understand how advice from a WDC connects to government strategies, the Tertiary Education Strategy, the WDCs workforce development plan, regional workforce plans or other stakeholder plans, strategies or research. Identify the qualitative and/or quantitative information gathered to identify the issue and intended end state, including: • qualitative information (from industries, iwi and Māori businesses, and RSLGs using interviews, workshops and surveys) • quantitative information (national, regional and industry data sources).
Vocational education and training solution	Help TEC understand how vocational education and training is the solution to the issue and what specifically a WDC wants us to invest in or support. Where there are current gaps in provision, it would be helpful to know the forecast timeline to address the gap, ie, how long will it take to develop a new qualification or micro-credential?
Role of WDCs/RSLGs	What actions will the WDC take to further influence the issue (ie, what other levers will you use)? Tell us about the actions RSLGs are taking to influence the issue.
Support from TEOs	It would be helpful to see how WDCs have engaged with TEOs to understand how they can operationalise the advice. Has a WDC been able to identify any constraints/barriers to a TEO's ability to operationalise their advice, and if so, how could this be resolved? Where identified, TEC will work with the WDC, RSLGs and TEOs to resolve the constraint/barrier.

Definitions

Below are key definitions referred to in the body of this guidance document, or closely related to the content.

Assessment and verification mode – learners receive training in the workplace. The employer has created or purchased a programme of study leading to a qualification and delivers this. Providers work with employers to match the programme to a qualification on the New Zealand Qualifications

and Credentials Framework (NZQCF). Providers are responsible for the quality of assessment of the programme.

Component/course – a basic, assessable unit of education and/or training. The unit may be known variously as a unit or skill standard, paper, subject, component, course or module. A course or collection of courses forms a programme of study or training, which, if completed successfully, results in the award of a qualification. Providers may enroll learners in individual courses or a selection of courses from approved programmes.

Credit – a numerical value, assigned to components (courses) and to qualifications on the NZQCF, that represents the estimated time needed for a typical learner to demonstrate that all the specified outcomes have been met. One credit represents a notional 10 hours of learning, practice and assessment time with respect to the outcomes and contexts of a standard. Credits give transferable value to learning once candidates have met assessment requirements. One full-time year of study equates to 120 credits or 1 equivalent full-time student (EFTS).

Extramural – a mode of delivery for learners who do not attend on-campus courses. Courses are delivered by correspondence, telecommunications, internet and web-based media, or combinations of media. They may include short periods of on-campus attendance.

Give effect – the TEC needs to implement the advice, subject to funding limits set by the Minister/TEC, and constraints on capacity of TEOs to deliver on the mix of vocational education and training (see section 411(2)), in each case where the TEC is deciding to grant funding approval to TEOs under section 425 of the Education and Training Act 2020. The TEC will also be constrained in its ability to give effect to advice by the scope of its own statutory powers.

Have regard – the TEC is required to consider the advice, and take it into account, but is not required to follow it. That is, it is open to the TEC to choose to follow the advice or not, deciding how it might use the advice to inform and shape its actions/decisions.

Micro-credential – study or training that leads to an award, but not the award of a qualification. A micro-credential certifies achievement of a coherent set of skills and knowledge, and is quality-assured learning, specified by a statement of purpose, learning outcomes, and strong evidence of need by industry, employers, iwi and/or the community. Micro-credentials are listed on the NZQCF as credentials.

Programme – a programme of study or training leading to a qualification listed on the NZQCF (section 436(1) of the Education and Training Act 2020). An approved programme is a coherent arrangement of learning or training that is based on clear and consistent aims, content, outcomes and assessment practices, which leads to a qualification listed on the NZQCF.

Provider-based mode – learners study mainly in a campus setting with supported self-directed learning. Providers are responsible for learners' health and wellbeing support.

Provider-based: extramural mode – learners study mainly away from a campus setting but not in the workplace. Learners undertake supported self-directed learning and the provider is responsible for the learners' health and wellbeing support.

Qualification – the official award given in recognition of the successful completion of a programme of study.

Vocational education and training (VET) provision – all Industry Training Fund funded provision, including Levels 1 and 2 on the NZQCF and Student Achievement Component funded eligible study at certificate and diploma Levels 3–7 (non-degree). This excludes provider-based provision at Levels 1 and 2, and degree and above study at Levels 7 and above on the NZQCF. It includes learning delivered and supported by Te Pūkenga, wānanga, private training establishments (PTEs) and universities that meet the above definition.

Work-based mode – learners study mainly in the workplace with supported self-directed learning. They are supported in their training by both the provider and employer.

Work-based: pathway to work mode – learners have completed some study in the provider-based mode. Providers assist learners to find jobs with training agreements and support them to establish their learning in the workplace. All other work-based responsibilities are the same as the work-based mode. This rate will be limited to the transition period between study and work.