

Food and Fibre Capability Strategy – A Call to Action

A skilled food and fibre workforce is essential to growth

New Zealand’s food and fibre sector is at a crossroads. The government’s Going for Growth agenda and goal to double export value by 2034 relies heavily on this sector, which generates 81% of goods exports.

Achieving that goal demands more than increased output—it requires a skilled, adaptable workforce that can lift productivity, meet customer demands, and navigate a complex global trade environment.

Yet employers are disengaging from formal education and training. This isn’t because they no longer value capability development, but because the system has become unfit for purpose. This Strategy calls for urgent action to rebuild trust, refocus investment, and reset the training system to serve the needs of employers and the economy.

Key facts	
<i>Graduates of food and fibre qualifications add real value</i>	<i>But training numbers are falling</i>
<ul style="list-style-type: none">• Having staff with relevant qualifications is associated with higher revenue and profitability• Graduates have higher earnings and are less likely to be in receipt of benefits.	<ul style="list-style-type: none">• Enrolments in workplace-based training fell by one-fifth (21%) between 2017 and 2023• By 2050 our forecasts show that the percentage of workers with relevant qualifications will fall to 16.3%, down from 23.1% in 2023.
Muka Tangata (2024). Learner Pathways Research Summary	Muka Tangata (2025). Skills Forecasting – Industry Dashboard

We need a shift in mindset—from chasing volume to generating value

For too long, workforce development has been driven by enrolment numbers and learner-led demand, rather than targeted investment in high-impact skills

This means identifying the capabilities that deliver the greatest returns, investing deliberately, and ensuring the vocational education and training system has the flexibility and tools to respond.

Businesses that invest in capability development improve their productivity and profitability—and help build a more resilient, competitive national economy. Targeted training in strategic areas is not just good for business; it is essential to achieving New Zealand’s broader economic and trade ambitions. Yet the very system that should support this progress is faltering.

Māori agribusiness, with unique strengths in sustainable land management and intergenerational planning, exemplifies an area where targeted capability investment could yield significant economic, environmental, and social returns.

Regulatory and policy changes have sidelined work-based learning and eroded employer confidence

Formal tertiary education and training in the food and fibre sector is increasingly fragmented, under pressure, and financially fragile

The consolidation of Industry Training Organisations, the disruption caused by the creation (and disestablishment) of Te Pūkenga, and the reprioritisation of provider-led delivery have all weakened the sector's voice and constrained its ability to train effectively. Employers continue to train informally but often find it too hard to engage with a compliance-heavy system that doesn't serve their needs.

Over the past five years, employers have progressively withdrawn from formal training. Their message is clear: the current system doesn't work, and major changes are needed to policy, regulation, and funding.

Three major developments will further strain the system in the next two years:

1. Providers—including polytechnics, wānanga, and new entrants—will make commercial decisions about the kinds of work-based learning they offer. Without a clear strategy, there is a risk they cherry-pick the most profitable offerings, undermining access to essential training in low-volume but high-value areas.
2. There are risks to the future of workplace learning delivery, with the future of the Primary ITO and its delivery network unclear, as well as risks to polytechnic food and fibre delivery as each regional polytechnic seeks to demonstrate its financial viability.
3. Work-based learning funding will likely fall, although details remain scarce. Lower funding rates will incentivise providers to retreat further from workplace-based education.

This uncertainty is deeply concerning. Without a reliable and responsive training system, the sector cannot deliver on its potential—or the government's export growth goals.

We need to recognise the role of employers and the model of shared responsibility

This is not a call to go back—it's a call to move forward

Workplace learning is not just a transaction—it is a partnership, where government, providers and employers each play a vital role. When this partnership functions well, it delivers quality learning and real economic impact. But that partnership is now under threat.

The Strategy urges government and training providers to reckon with the past, recognise the central role of employers, and restore a model of shared responsibility.

We have identified twelve decisive actions that need to be taken now to safeguard the future of the food and fibre sector

The stakes are high, and the time to act is now

The actions involve rebalancing the system so that employer-led, work-based learning is recognised and resourced appropriately. It means building a funding and regulatory environment that enables, rather than obstructs, innovation and responsiveness. It also means restoring trust and agency to the employers critical to developing the next generation of skilled workers.

The Strategy sets a clear path forward:

- We need a system that prioritises capability, not just credentials.
- We need investment that targets impact, not just enrolments.
- And we need a shared commitment—from government, providers, and industry—to rebuild a system that can deliver for the food and fibre sector, our communities, and the economy.

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Food and Fibre Capability Strategy – Strategic Actions

We need to change how we invest	
1. Implement a “low-volume, high-value” training fund to support key skill areas with high impact on industry output, productivity, and profitability.	We need a targeted investment fund—administered by the Ministry for Primary Industries— of \$10-20 million to support low-volume, high-value training critical to sector productivity and resilience but not commercially viable under enrolment-driven funding models.
2. Align government investment in food and fibre training across different Votes.	We need a coordinated and aligned cross-government investment strategy —backed by shared outcomes and co-designed with industry—to deliver more targeted, flexible, and effective workforce development.
3. Take a value-based approach to investment.	We need a system that invests based on outcomes like learner earnings and productivity gains rather than learner enrolments, with pilot work to be led by the Food and Fibre ISB.
We need to change what we invest in	
4. Ensure ongoing delivery capability across the country for food and fibre training.	We urgently need a targeted support package to ensure that regional polytechnics continue to train the food and fibre workforce while we shift to investment-based funding.
5. Ensure national delivery capability for workplace training.	We need to ensure a strong and viable national network of workplace-based formal tertiary education and training to secure training options for employers across New Zealand.
6. The development of flexible food and fibre sector-wide qualifications, standards, and micro-credentials.	With one in three new hires in food and fibre coming from within the sector, and significant mobility across industries, we need to make it easier to establish sector-wide qualifications and pathways. These qualifications and pathways need to be flexible, modular and meet the needs of all of our workforce.
7. Continue the development of industry-specific specialist qualifications, standards and micro-credentials	We need to continue to enable the recognition of key skill sets that will drive improved productivity, profitability and exports.

8. Modernise and simplify assessment and quality assurance approaches across the sector.	We need to focus assessment on critical skills and capstones, enable the use of more modern assessment approaches that address the specific challenges of our employers and learners and modernise quality assurance practices.
9. Return eligibility for workplace training to workers with work visas	We need to ensure that migrant workers can access public subsidies for critical aspects of workplace training because they make up a vital part of the food and fibre workforce.
We need to change how investment is used	
10. Free up funding and other rules for micro-credentials in food and fibre.	We need to simplify the rules and funding settings for micro-credentials that make them difficult to combine to meet the requirements of qualifications so that they can realise their potential for flexible, industry-relevant learning for the food and fibre sector.
11. Free up rules for recognising workers' existing skills so their capabilities can be better recognised and built upon.	We need to reform funding and regulatory settings to unlock the full potential of Recognition of Prior Learning (RPL) so that providers are incentivised to use this powerful but underused tool to improve the system's efficiency and recognise the skills our people already have.
12. Develop more flexible regulation for the delivery of workplace-based and employer-led learning.	We need differentiated policy and regulatory settings that recognise the unique value of employer-led, workplace-based learning—especially in the food and fibre sector—by making it easier to engage, innovate, and assess in real-world environments.