



Report: Discussion on further design details for work-based learning and ISBs

To:	Hon Penny Simmonds, Minister for Vocational Education		
Cc:	Choose an item.		
Date:	17/02/2025	Deadline:	18/02/2025
Security Level:	In-Confidence	Priority:	High
From:	Katrina Sutich GM Tertiary Policy	Phone:	9(2)(a)
Drafter:	Nyk Huntington	METIS No:	1343012

Why are we sending this to you?

- You are receiving this because you have indicated that you are considering an alternative approach to transitioning work-based learning into the redesigned vocational education and training system.
- There are some key elements of this approach that we would like to discuss and clarify with you, to ensure we understand this approach.

What action do we need, by when?

- We are seeking to discuss the questions raised in this paper at your officials meeting on 18 February 2025.
- Please return the signed paper by 18 February 2025.

Alignment with Government priorities

1. This report aligns with Government priorities as part of the work programme to disestablish Te Pūkenga from 1 January 2026.

Background

2. On 13 February 2025 you and Andy Jackson, Deputy Secretary Policy, discussed a potential new end-state and transitional model for work-based learning (WBL).
3. In order to ensure that the expected timelines for report-backs to Cabinet and the passage of legislation this year continue to be met, we would like to discuss this approach with you. This is so we can confirm your expectations and objectives for your approach, clarify key aspects, and provide further advice on implementing this model.

The proposal

4. We understand that you are considering a revised approach for the transition of work-based learning into the redesigned Vocational Education and Training (VET) system. We would like to confirm the following details with you.
5. Under this model the final end-state for standards-setting and WBL will be:
 - 5.1. Industry Skills Boards are independent standard setters.
 - 5.2. All aspects of work-based learning (including pastoral care) are managed, arranged, and where relevant delivered, by providers (ITPs, PTEs and Wānanga).
6. We understand that the intended transition to this end state would involve the following:
 - 6.1. Workforce Development councils (WDCs) would be disestablished on 31 December 2025, and ISBs stood up on 1 January 2026. As in the current legislative approach there would be no guarantee or expectation of employment for WDC staff.
 - 6.2. The WBL divisions of Te Pūkenga would make their education-related intellectual property (e.g. programme structure, learning and assessment materials) available to all providers, to support the development of new WBL programmes.
 - 6.3. ISBs would take on managing and arranging training for learners enrolled with Te Pūkenga's WBL divisions at 31 December 2025, for a transitional period of up to two years.
 - 6.4. The assets and staff associated with Te Pūkenga's WBL divisions would transfer and initially comprise the core staffing of each new ISB.¹
 - 6.5. ISBs would not be permitted to enrol new learners into these programmes. The new ITPs, PTEs, and Wānanga would be permitted and encouraged to develop WBL offerings to replace ISB programmes from 1 January 2026.
 - 6.6. At the end of the transitional period the ability of ISBs to manage and arrange WBL would end, and any remaining learners would be required to transfer to a provider.
 - 6.7. ISBs would be expected to, wherever possible, transfer programmes and learners to a new provider before the end of the transitional period. They would be expected to work with their industries to achieve successful transitions.

¹ In accordance with Cabinet decisions [SOU-24-MIN-0174 refers], the assets of each WDC would transfer to an appropriate ISB, but as noted there would be no legislative provisions for WDC staff transitions.

7. We would like to discuss any areas of this outline where we may not have accurately captured your intentions.

Discussion

8. There are a number of elements of the above proposal that we would like to work through with you to help build our understanding of your vision for the role of standards setting and work-based learning within the overall vocational education and training system. It will also help us to identify any potential areas that might affect the current proposed timelines for delivery.

Branding and Intellectual Property

9. You have indicated that you would like, where possible, that the former Industry Training Organisation (ITO) branding and names used by the Te Pūkenga WBL divisions to be used by ISBs. This is currently Te Pūkenga intellectual property that can be transferred to ISBs. We note that industries may associate these brands with the work-based learning activities of the former ITOs rather than standards-setting activities.

Question 1: Do you envisage these names becoming the brand of each ISB, or brands used by an ISB while it manages out WBL programmes, and would it be possible for an ISB to transfer or license these brands to a provider as part of the transition process?

10. We understand that you would prefer Te Pūkenga to make the educational intellectual property of its WBL divisions available to all providers this year. We can advise you on the levers that exist for you to encourage Te Pūkenga to do this.

Question 2: Rather than Te Pūkenga, could an ISB be required to facilitate distribution of the intellectual property it has received from the WBL division(s) across the work-based learning network?

Timing and system constraints

11. We understand you intend that, from 1 January 2026, the staff, assets, and learners of WBL divisions within Te Pūkenga would initially transition into a relevant ISB, but ISBs would stop taking any new enrolments.

Question 3: Would it be possible for ISBs to be initially stood up just with standards-setting functions, with WBL transfers from Te Pūkenga happening during early 2026? (Noting that legislation will need to be enacted before Orders in Council can be passed and ISBs set up.)

Question 4: What is your expectation for the latest date at which the transfer from a Te Pūkenga WBL division to an ISB could occur?

The Work-based Learning Network

12. You have indicated that there will be a transitional period (e.g. of two years). During this period, ISBs will negotiate with industry and providers as to the final destination for all learners currently within the WBL divisions of Te Pūkenga.

Question 5: What end date would you envisage for new enrolments in WBL division/ ISB programmes: on 31 December 2025, or after a short grace period (e.g. 31 June 2026)?

Question 6: What are your expectations regarding the network's ability to manage potential shortfalls in WBL programme coverage on 1 January 2026?

Question 7: Would you expect that WBL staff in ISBs would then transfer to the providers who took on former WBL division programmes?

Question 8: After WBL division programmes are transferred to ISBs on 1 January 2026, would there be a way for new learners to enrol in WBL programmes that are not at that point offered by any provider (ITP or PTE)?

Question 9: Would ISB learners be able to transfer to any provider type during the transition period, and how would you expect the transition process to be reflected in the TEC's investment decisions?

Question 10: How would you see the transition process interacting with WBL division involvement in and/or leadership of Gateway and Trades Academies programmes?

Question 11: How would you see the transition process interacting with assessment and verification services for large employers that involve WBL divisions?

Strengthening the investment advice function of ISBs

13. You have indicated that in this model you would like for ISBs' investment advice function to be strengthened, so that it clearly permits an ISB to direct TEC to make investment decisions regarding individual providers. Current draft legislative provisions would not preclude an ISB from providing such advice, but the TEC would not be required to give effect to it. Strong implementation of this could cut across the TEC's statutory function and create a conflict of interest for ISBs.

Question 12: How strong would you anticipate this advice function being with respect to investment in individual providers?

Next Steps

14. After discussing your proposed transition approach and the questions above with officials, we will prepare further advice for you as needed.

Recommended Actions

The Ministry of Education recommends you:

- a. **discuss** the content of this paper at your meeting with officials on 18 February 2025

Yes / No

Proactive Release:

- b. **agree** that the Ministry of Education release this paper once Cabinet decisions on VET funding settings have been announced, with any information needing to be withheld done so in line with the provisions of the Official Information Act 1982.

Agree / Disagree



Katrina Sutich

General Manager

Te Pou Kaupapahere

17/02/2025

Hon Penny Simmonds

Minister for Vocational Education

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