



Community Networks Aotearoa Submission: Vocational Education

I am writing on behalf of the Community Networks Aotearoa Executive Committee to express concern about the proposed reform of Industry Training Organisations (ITOs). While the proposed reform spans a broader sector than ITOs, we would like to specifically comment on the aspect affecting ITOs.

About Community Networks Aotearoa

We are the umbrella organisation for local community networks. Our membership includes 50 not-for-profit and voluntary social service organisations all over the country.

The community sector is an essential part of a healthy thriving society. Our goal is to empower and strengthen the community sector by supporting community networks across Aotearoa.

We support our members by providing:

- Information on key events and the community sector
- Personalised organisational advice and support
- A platform for a collective voice on matters affecting the community sector
- Opportunities to connect with other community networks across Aotearoa

Our concerns about the proposed reforms are listed below. Due to these concerns we would like to see reform concerning ITOs halted, while further analysis and engagement with stakeholders takes place.

The voice of the community and voluntary sector and regions may be lost in a new single centralised Institute of Skills and Technology

Many people in the community and voluntary sector are working with ITOs to develop training programmes of benefit to the sector, and the individuals involved. The Statistics NZ 2013 Non-Profit Satellite Report (based on census data), counted total number of wage and salary earners in non-profit institutions as 136,750, up 30% from the last Satellite Report in 2004. Assuming the same rate of growth, at a minimum, the figures are likely to be closer to 178,000 employees in the community sector. Many in the sector are delivering vital services to individuals and community, and playing a critical role in delivering the Government's wellbeing agenda. Therefore appropriate and effective training is essential.



The effectiveness of this training is reliant on an ITO being adequately agile and responsive to the needs of the sector. Our experience tells us that this agility/responsiveness has been supported through a decentralised system of different ITOs able to respond to different sectors/industries.

The current proposals propose a centralised system. However, we're concerned that the very nature of a centralised system means it will not be sufficiently agile to cater for different needs. For example, as things get bundled together, large industries may come to dominate the centralised body, with their needs taking precedence over others. In a centralised system, it is foreseeable, due to practicalities, that the needs of dominant groups come to be seen as the default standard and get applied across the board – regardless of appropriateness.

Our concern is that this will reduce the appropriateness and relevance of training for the voluntary and community sector, as well as stifle new and innovative approaches to training.

The risks posed by a centralised system is currently mitigated through having different ITOs. If reform is to proceed as planned, we would be interested in hearing what mechanisms will be put in place to ensure a centralised system is responsive to the needs of different regions and specific sectors such as the community and voluntary sector.

Lack of engagement

We are concerned that the proposed reforms concerning ITOs lack a clear problem definition. The consultation paper sets out challenges and aspirations for the future, but the analysis is unclear why reform of the current ITO model is needed, or put another way, why the current ITO model is unable to meet these challenges and aspirations.

Reform of this nature is disruptive and should only proceed where there is clear problem and solution definition. We would like to see more time taken to understand what the problems are with the current ITO model, and whether wholesale change is actually needed.

The six week consultation period is not sufficient to engage meaningfully with stakeholders, especially given the significance of the reform. We would like to see reform of this area slowed down.

The ITO sector has in the past gone through significant change, with some ITOs brought together, and others continuing to stand alone. We question whether further reform is needed, and whether the last



set of reforms has rationalised the sector to the extent possible to achieve efficiencies without losing other important characteristics e.g. responsiveness.

Reduced participation and stifle innovation

We are concerned that the proposed reforms may result in higher costs for employers (as employers would continue to contribute towards training programme costs, but also to the costs of the new industry skills bodies). Many organisations in the Community and Voluntary sector are under significant financial pressure, any added costs may have the direct consequence of reducing training people in the sector can take part in. This will certainly impact the ability of the sector to support its people to upskill and grow. This in turn may stifle innovation in the sector and ongoing improvement.

Conclusion

We would encourage reforms to be slowed down, or halted, while further engagement and analysis can take place.

Thank you for the opportunity to submit.

Ros Rice
Chief Executive
Community Networks Aotearoa

Community Networks Aotearoa
www.communitynetworksaotearoa.org.nz
Phone: (04) 472 3364