Consultation response:

Radical integration: redesigning vocational education and training for 21st century outcomes in forestry and wood processing.

Pan Sector Collaboration Group (PSG) of the Forestry & Wood Processing Industry
11 September 2024

"Our people are the heart of our industry and the fabric of regional communities. As forest management becomes more complex, so too does the need for more diverse, highly skilled workers. Government has a pivotal role in facilitating fit-for purpose industry training and standards and in ensuring the longevity of primary sector employment. Decreased government support for safety in our forests is jeopardising the health and wellbeing of our workforce. Ongoing assistance from the Government, and timely reviews of regulations, are needed to ensure our people remain the priority"

Forestry Sector Briefing to Incoming Ministers, Nov 2023.

Table of Contents Page

To the Policy Makers

This response is written by the Forestry & Wood Processing Pan Sector Collaboration Group (PSG). It should be read as a loose collection of bullet points pulled together quickly, and highlighted to illuminate the way ahead, to help a rethink towards making some small dial turns for forestry and wood processing vocational education and training.

The PSG is made up of the peak bodies within the forestry and wood processing industry with the responsibility to lead and advocate on behalf of the industry at a national level on matters of policy and strategy, including: New Zealand Institute of Forestry (NZIF), Forestry Industry Contractors Association (FICA), New Zealand Timber Industry Federation (NZTIF) Wood Processors & Manufacturers Association (WPMA), New Zealand Forest Owners Association (FOA), Forestry Industry Safety Council (FISC), Log Transport Safety Council (LTSC), Ngā Pou a Tāne National Māori Forestry Association (NPaT), New Zealand Farm Foresters Association (NZFFA), and the Forest Growers' Levy Trust (FGLT).

Forestry and wood processing is the 4th largest export industry in New Zealand. 40,000 people returned $6.6 billion worth of GDP through forestry and wood processing to New Zealand in 2022. The viability of our industry relies on high rates of throughput, verification and enforcement of safety standards, and **a lean workbased training model**.

Our people are the heart of our industry and the fabric of regional communities. As forest management becomes more complex, so too does the need for more diverse, highly skilled workers. **Government has a pivotal role in facilitating fit-for purpose industry training and standards and in ensuring the longevity of primary sector employment**. Decreased government support for safety in our forests is jeopardising the health and wellbeing of our workforce. Ongoing assistance from the Government, and timely reviews of regulations, are needed to ensure our people remain the priority (Forestry Sector BIM, Nov 2023).

We are encouraged by the Coalition Government's pledge to Rebuild the Economy and the aspirational goal set by the Minister of Forestry and Agriculture in June 2024 for Aotearoa New Zealand to become an exporting powerhouse by doubling the value of exports in 10 years.

Operating a workbased training model where **90% of forestry and 80% of wood processing training is done by our employers** means that export receipts worth $65 million are generated by our industry in just four working days. So, when the VET system redesign proposes to offset Te Pukenga spending blowouts by the same amount, by reducing funding support for industries that do their own training (not because workbased training isn't working but because it needs to make campus-based training more marketable) - we reject the proposals.

We propose a dialogue instead about saving costs and ramping up exports with a Forestry & Wood Processing Learning Hub as a radical integration prototype between healthy VET system functions and the Food & Fibre Sector.

Our response is in three sections: our feedback on Minister Simmond's proposals, the business case for forestry and wood processing workbased training, and a high-level outline of the Forestry & Wood Processing Learning Hub.

Please let us know how you'd like to progress what we propose. Ngā mihi nui

1. Feedback to the Minister's proposals

The Minister's proposals:

- A redesigned Institute of Technology and Polytechnic (ITP) network that retains access to ITP provision in regions, through a combination of stand-alone and a federation of ITPs.
- Options for an industry-led system for standards-setting and industry training.
- Changes to vocational education funding from 2026 to better support the reformed system.

We reject all Proposals and do not feel the Options are designed with the Food & Fibre Sector, or forestry and wood processing in mind. More time should be taken to measure the impact of taking a hardline to implement the Proposals and Options as they are.

The options proposed move away from, when they should lean into sector-ised, specialised, and scaled for industry/workbased learning environments and settings. We cannot agree with a one size fits all approach with the Food & Fibre Sector which benefits currently from a competitive vocational education and training system. This would risk billions of dollars in export earnings and growth.

The proposals will break our already lean workbased learning model. This will have dire flow-on effects for the regions - skill shortages when we can't train our workers properly, remove hard-fought and won training mitigations for keeping people safe in the forest. They will divert attention and interrupt business flow which might otherwise be used to ramp up exports.

These are trade-offs that our industry is unwilling to accept.

Past and current VET design (whether regionally based or centrally based) reveal major and ongoing governance, control issues and functional inconsistencies by government.

In general, we feel the Proposals and Options in the discussion document swing too far in the direction of polytechnics.

An ITP model federation or otherwise, would not meet our needs either – it is another (less desirable) version of what we have now.

Under Proposal 2 "Industry-led", both Option A and B do not go far enough to give us something we can support as being industry-led, they remove some aspects of what we currently enjoy and are step us back in time.

The closest to what we need is Option B, but with ultimate decisions and actions controlled by Government and no framework included for managing risks, benefits or trade-offs we do not know the full implications of choosing this Option.

We agree the unfettered growth and cost of operating standards setting from $12M (pre-2020) to $65M (2024) under Te Pukenga is an unacceptable outcome for New Zealand.

Clearly the existing boundaries of WDCs must be rationalised.

However, Proposal 3 removes a large proportion of what was administered under the Unified Funding System and in so doing, it departs from the intent of The Education and Training Act

2020 which aims to give all learners (including those from rural, Māori and Pasifika communities) "a high-quality, culturally responsive, seamless and inclusive education, from early learning, through schooling, and into tertiary education, vocational training and employment." These are the communities that over generations have supplied our workforce. We must uphold our obligation to provide access to training and support for completing qualifications.

We support direct funding for standard setting. However, our concern is that the consultation document says that funding for standard setting will be repurposed from work-based learning.

On the matter of Standard Setting – our preference is for employers and forest owners to be substantially involved (more so than now) in the setting of standards and skills required task by task. This preference is informed by our historical and recent experience.

Employers, Forest owners, and Land owners are also to be meaningfully involved in arranging for, procuring, managing and assuring themselves of quality in the delivery of training through, for instance:

- the use of vouchers.
- involvement in the recruitment, training, assessment and quality of trainers, assessors, mentors and verifiers in the forest industry.

We echo the cautions made in the Minister's Advisory Group letter and report dated 27 May 2024 (released under OIA and discussed by us in the online TEC consultation session with the Food & Fibre sector c. 1pm Fri 16 Aug 2024) and suggest a Central Business Unit be deployed to smooth out the bumps before during and after a transition from Te Pukenga to a new VET system.

We want to work with the designers of the new system, to implement:

- A radical level of integration between workbased learning and the VET functions (of qualification and standards setting and development, the endorsement of programmes, moderation of assessments, and strategic workforce analysis and planning).
- A hand-in-glove option (hand = industry, glove = system functions) with industry as the programme designer and across programme delivery too.
- A nuanced model for Food & Fibre Sector with dial shifts towards work-based learning.

More feedback on proposals

1. Which proposal do you prefer overall and why?

None – see statements above.

2. What are the main features and functions that industry training boards (Option A) need to be successful?

We do not endorse an Industry Training Board.

3. Under Option A – how important is it that industry training boards and non-industry training boards, are able to arrange training, and why?

N/A

4. What are the main features and functions that industry training boards (Option B) need to be successful?

Left to their own devices public services will always revert to bloated bureaucracies. What is needed most is leadership (vs. management) – a vision that prioritises objectivity and organisational culture. As this might not be achievable the next best thing is for the functions to be guided by industry independence. A Sector Reference Group working alongside Ministers would suffice as long as the Ministers are prepared to build in systems of partnership with industry - accountability, transparency, codesign with industry for outcomes that industry want.

5. Are there key functions of the Workforce Development Councils need to be retained in the new system?

As recommended.

6. Are there key features of how the previous ITOs worked that need to be reintroduced in the new system?

As recommended.

Good leadership is absolutely necessary to ensure the two functions of standards setting and arranging training come together smoothly. As identified in the Regulatory Impact Statement – a big risk exists for conflict to grow between the functions. We perceive it could be due to the history associated with previous reforms, as well as the clash between two branches of thought – education vs. industry training. The bias against industry training comes through strongly in the proposals.

The forestry industry has a long-standing relationship with Competenz, we share whakapapa, emerging from the same industry training beginnings. The ITO takes care of forestry and wood processing training too – so, they have an important role. For the sake of our industry, we need them to be supported and fully functional – and to have the same level of mana as the WDCs that will go into the future system with them. We are concerned that they have already been sidelined through this process (given the Options overplay the standards setting function even with the title the "statutory standards setting board" as subtle as it may seem) - and that they may go on to be subsumed and their mana downgraded by the future system. We recall a time when the ITOs (Competenz) held both functions. A little humility will go a long way in this transition.

7. What are the possible benefits and risks of having a short moratorium on new industry training providers while the new system is being set up?

We support a level playing field for all.

8. Could there be benefits of draw backs for students (for example Māori, Pasifika, rural, disabled and students with additional learning support needs) under these proposals?

Read the full response. We 100% disagree with the current priority learner communities being traded off. For the highly vulnerable, marginalised and disadvantaged areas (of work-based training, and Māori/Pasifika and other system-challenged learners) of supply that our industry relies on it is critical that the new system empower a thriving workforce, not reinforce inequitable power structures. Secondly, that society and business will end up paying the cost fiscally and in lost earnings (in our case) when Significant political risk exists if industry aren't involved in VET design and empowered through the options.

The industry will fight for this to remain in our training system.

9. Are there other ideas, models, or decisions for redesigning the vocational education system that the government should consider?

Please refer to section #3 of this response.

A case for workbased learning in the forestry and wood processing industry follows.

2. Forestry and wood processing

Workbased learning by the industry actively contributes to the safety, productivity, export resilience and growth of the New Zealand forestry and wood processing industry at industrial scale. Other forms of training (such as block courses, Level 2 pre-employment. and Level 5 diploma courses) augment workbased learning.

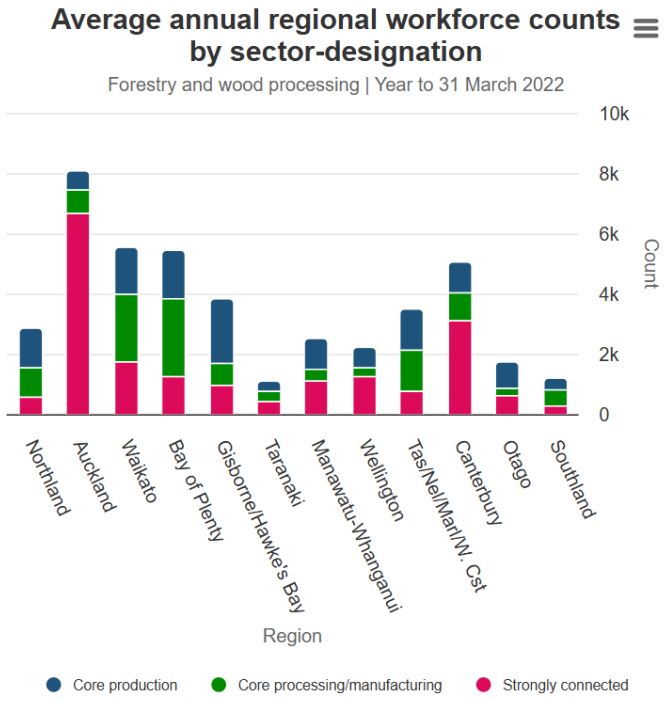
Workbased Learning must continue to support forestry and wood processing workflows.

- In the forestry and wood processing industry the learner is an employee, contractor or volunteer.
- Training is led by the employer and done on job, or via contracted trainer.
- Assessment is led by the employer, workplace or contracted assessor.
- Enrolment takes place mainly through a tri-partite agreement between Competenz, learner and employer

There are approximately 42,880 people employed in the forestry and wood processing industry.

- Roughly 12,783 work in forest production (growing, maintaining and harvesting forests).
- 11,443 work in saw mills or wood processing sites.
- The balance (18,654) work in supporting roles including logistics, biosecurity, IT, management, marketing, research and business support.

The region with the most forestry workers is Gisborne (Tairawhiti)/Hawkes Bay followed by the Central North Island. Not all in Tairawhiti Gisborne are likely permanently domiciled in that region, but temporary since Cyclone Hale and Gabrielle in 2023. This demonstrates the level of flex that we ask of our workforce. The region employing the most wood processors is the Central North Island/Bay of Plenty followed by Northland.



Pictured: Regional distribution of forestry and wood process workers taken from Forestry and wood processing » Food and fibre workforce insights (2024)

A great deal of forest is on Māori land.

44% of our national workforce are Māori. 80% of the large-scale commercial forests are on Māori land – Māori are actively involved and reflected in the composition and leadership of the forestry workforce.

In some regions the percentage increases to 80% of forestry workers (Gisborne), and 90% of wood processors (Central North Island).

- 2,100 recruits of Māori descent entered the industry in 2023.
- In most cases our workers are from rural communities.

In some districts in Central North Island, Gisborne Hawkes Bay and Northland regions forestry and wood processing has been an intergenerational (four generations for some) commitment by some whānau and communities. There are grandfathers, fathers and mokopuna working side by side even today.

Towns like Murupara, Tokoroa, Turangi, Kawerau have grown up around the forestry business.

Rural and Māori communities are under pressure to bring their skills to forestry and are rising to the challenge**.** Many educated by their environment (communities, places, and knowledge systems) still need formal qualifications.

64% of the forestry workforce is permanent, 36% are seasonal. Each year is different, but demand has increased steadily for the last 7 years. Retention rates are generally high at around 75% (Forestry Labour Requirements Survey, 2019 – the most recent report we could find).

Like most food and fibre industries in the 21st century free market economics ultimately determine the scale of our businesses. Survival relies on our ability to pivot constantly to the forces of change including competition, markets and more recently the pace of technological and climate change.

2.1 Training people for highly complex work environments

Trainees in forestry have predominantly identified as “tactile and hands-on learners”, therefore the learning environment needs to facilitate this learner style. The in-classroom model can sometimes constrain vocational learning and transference of learning to the workplace. Therefore, we need to integrate the learning into the business workflow.

Like the workflow, the training is inextricable from the environment. Our employees, contractors and volunteers must be trained for a wide range of highly complex work environments.

Pictured: Forestry workers breaking out.

A mechanised felling machine at work.

As a natural resource under management, forests require people to work in all seasons, according to the natural growing cycles and rhythms of the forest systems and the environments in which they are found. There is one shift, daytime. Silviculture (planting, pruning, thinning, harvesting) is more conducive to different seasons.

Work and training in the forest:

- Forestry pruning and harvesting training takes place on uneven terrain, in any weather including heavy rain and or extreme heat.
- Forest harvesting now is heavily mechanised. Specialised sophisticated machines are used for falling and extracting logs in steep and difficult country. Machinery is complex and difficult to master quickly. Significant training and guidance is required.
- It is expected for there to be mud, slippage, steep rocky slopes, landslides, overhead falling debris, rolling rocks, logs sliding down hills in steep cable logging sites, and trees falling.
- A feature of the environment is moving machinery, falling trees, rolling logs, moving steel ropes, large log stock piles (that can crush a person) and skid sites with a range of heavy machinery operating at any one time.
- Although the industry uses some simulation for tree felling, log loading and cable logging to keep worker skills/sensory responses sharp, it is work that is difficult to effectively simulate through off-the-job training.

Pictured: A pole hauler at work in a cable logging operation.

Our work and training sites are difficult to get to.

- Commercial forests are remote, often on paper forestry roads (not public roads), they require heavy of offroad vehicle access.

- Forests are often planted on steep broken country that may be up to two hours drive from a local town.
- Extreme scales – our largest forest is 188,000 hectares (over three times the size of urbanised Auckland from Albany to Pukekohe).
- It is rare for a forest to have Internet access or cellular mobile coverage.
- Being onsite requires facilitation and coordination with others (e.g. site managers, HR, H&S).

Work and training on a processing site:

A modern processing site is very busy, highly organised and structured for safety and throughput with automated tasks and mechanised activities. The features are:

- Industrial scales are required to make wood processing viable.
- Big plant and equipment.
- Arranged workflow for high rates of throughput and efficiency.
- To achieve economies of scale, energy production and wood production are often integrated.
- Several processing hubs are located on Māori geothermal and forest lands – Māori are actively involved and reflected in the composition of the workforce.
- Each person has a critical role to play and a task/s to perform in a working operation.

Pictured: Red Stag Timber sawmill in Rotorua processes 8,000 individual logs per day.

Pictured: OJI Fibre Solutions Kinleith mill in Tokoroa employs more than 500 people.

Pictured: Sequal Lumber in Kawerau grows the skills of the local community alongside their business.

2.2 Regulated Health & Safety

Our people work in a range of hazardous working environments where operating in and around heavy machinery and falling trees, branches, other debris, and logs is part of the job.

Unfortunately, serious injury and death has occurred in our industry, and we are building a track record of risk management/hazard mitigation. Since 2013, twenty-two workers have been killed in FWP workplace accidents.

During 2011-2022, the fatality rate within the forestry and logging sub-industry was 55.6 per 100,000 FTE, more than three times the rate of the agriculture, forestry & fishing industry as a whole and around twenty times the all-industry rate.
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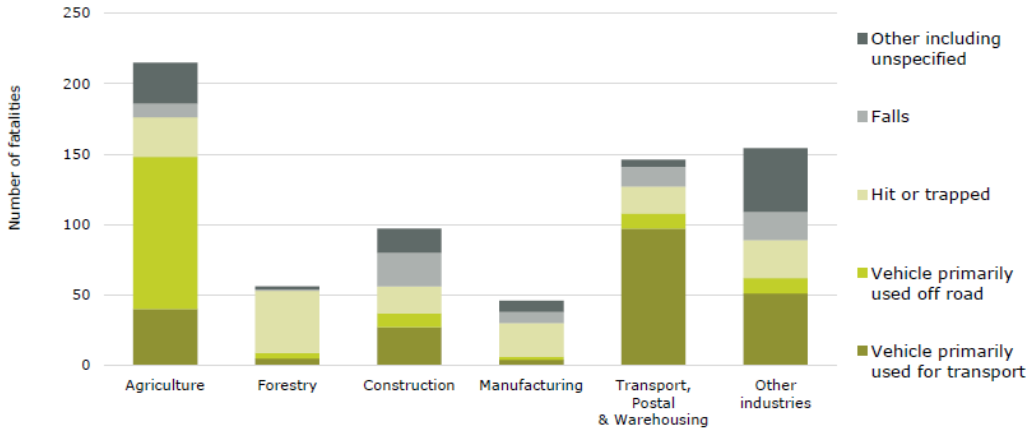
On average, fatalities in the forestry & logging sub-industry occurred at a significantly younger age (39.9 years compared to 49.1 years for all fatalities).

Figure 2: Number of work-related acute fatalities by injury mechanism and industry, 2011-22



Source: WorkSafe Data Centre, data accessed May 2023.

Pictured: Hit or trapped includes accidents where a worker was hit by falling or moving objects, caught or trapped in machinery, or trapped between stationary and moving objects.

It is 63 times more likely that a person will be killed or seriously injured from a falling object from height in forestry and construction than in any other industry. Social economic status has a some bearing on this statistic (WorkSafe, 2024).

The number of serious non-fatal injuries requiring medical attention in forestry has increased by 17% in the last decade.

This means we are highly regulated and heavily legislated; our attention to safety is many times higher than in most industries. The industry has responded to the Independent Forestry Safety Review (IFSR) by working in collaboration across the full plantation forestry sector, representing one voice in health and safety.

In situations of high hazard potential where mechanisation and automation augments safety, procedure reverts to the first principles contained in industry standards. On this the disciplines of the VET system and industry must come unite for a quality outcome. Health and safety skills for our industry, now enshrined in legislation, must convert to standards that have bearing on worker psychology.

For apprentices and trainees to embrace new health and safety legislation, to achieve safe outcomes at work, they must be trained to think and behave differently, to be mentally, emotionally and physically fit at home and at work. H&S skills standards must shape life skills, hone mastery and build confidence. A training environment must effectively embed the knowledge in the learner too. This is programming that goes beyond what is taught verbally or can be demonstrated in writing. It requires observing best practice, learning, coaching and emulating time and again. This demands leadership, strength of relationships, comradery amongst crew members, and respect between trainer and trainee.

Government has a pivotal role in facilitating fit-for purpose industry training and standards and in ensuring the longevity of primary sector employment. Decreased government support for safety in our forests is jeopardising the health and wellbeing of our workforce. Ongoing assistance from the Government, and timely reviews of regulations, are needed to ensure our people remain the priority (Forestry Sector Briefing to Incoming Ministers, Nov 2023).

The industry is estimated to have between 400-700 contractors including those who are already committed to improving health and safety in their business.

It is widely recognised that the hard-to-reach parts of the sector are those contractors who typically work in the small wood lot and farm forestry sector and the small forest owners (estimated to be around 14,000 of which only about 10% are members of the NZ Farm Forestry Association).

In addition to the 74 contractors who have successfully completed certification another 200 have expressed some level of interest in the process.

Also of note is that only about 50% of those who have been certified belong to the Forestry Industry Contractors Association (FICA).

Sadly, disproportionately, casualties have been from the Māori communities, and a few Pasifika people living and working in regional rural communities. This is a cultural impact.

The Forestry Industry Safety Council and the Forestry Industry Contractor's Association have been working hard to better outcomes together with WorkSafe, Iwi and vocational education and trainers and assessors – these are key planks in industry leadership.

In all of these cases - targeted training and management strategies are critical opportunities to create change.

2.3 Productivity

Training is a big investment in time "off the tools" but workbased learning makes good commercial sense.

- The cost to our industry to train a silvicultural apprentice is $12,000 per year; a logger $20,000, and a miller is $30,000.
- Each fully qualified mill worker represents circa $1,000,000 plus of added value to the industry per annum, as compared with a non-trained person. This is a powerful metric that could be used to drive industry training leadership.
- At any one time there are 1,200 plus people being formally trained in forestry and wood processing - roughly 5% of our productive workforce. With the right workbased training incentives there could be more.
- Adjusting to a bums-on-seats model will counter the efficiencies and effect that has been created through the forestry and wood processing workbased learning model.

The demand for skills qualified people for forestry and wood processing jobs trends upwards. As already mentioned, the PSG is working on a strategic value chain approach to skills stewardship and vocational education and training which will improve our strategic focus and commitment to high value exports.

- A certain level of uncertainty, seasonal work, and "following the wood" is typical.
- Local skills supply does not quite meet the demand.
- In 2022 approval was granted for 300 migrant silviculture forestry workers, and 280 wood processors and manufacturers.
- Migrants must be credentialed (trained for task) but they cannot become permanent employees.

Although we have likely harvested the peak "wall of wood" volume, we can expect volumes to trail downwards toward the end of the decade.

The demand for forestry and wood processing skills will continue to grow.

An increased demand for biobased forest products (to replace steel, fossil fuels, synthetic chemicals) is predicted under the global energy transition to 2050 which means more and different kinds of processing coming online in the next decade.

MPI processes our applications for migrant labour, reviews our productivity reports, understands our export pressures, and with our help is driving a food and fibre transition to a circular bioeconomy/a biobased energy transition and more onshore processing of food and fibre towards zero carbon targets. Ministry for Primary Industries who is our lead Government agency (alongside Ministry for Business Innovation and Employment (and Housing), Ministry for the Environment, Ministry for Climate Change) has been concerned about our workforce (ability to meet the national energy transition) for a few years.

We need a responsive and viable vocational education system that can build onto our opportunities and strengths in productivity to stave off the risks and threats.

2.4 History with vocational education and training

Since the beginning we have trained our people on the job, and it's still the case today.

Forestry and wood processing bears a proud training tradition which harks back to our English roots. For generations and generations to become competent an apprentice needed to work under the supervision of a senior countryman (forester) or woodsman (wood worker) whose teaching was overseen by a master. Upon dissolution of the New Zealand Forest Service in 1987 and under a newly privatised forestry approach, this changed.

- The Forest Industries Training & Education Council (FITEC) was initiated by New Zealand Forest Owners Association in 1990.
- FITEC came together to unify the forestry and wood processing sectors and represented a commitment to training, education and safety in the workplace.
- In 2013 FITEC merged with Competenz, and the ITO began setting industry qualifications and standards, and arranged training.

Competenz completed standards setting and arranged training from 2013 to 2020. Training was delivered by industry and to a lesser degree by PTEs, Toi-Ohomai and smaller entities.

A spike in Polytechnic enrolments occurred during COVID but dropped off immediately after.

Industry Training Organisations were developed 'for industry, by industry'. Industry Training Organisation Boards were made up of elected industry representatives who governed the approach and ensured investment/developments were supported by their industries. The Governance had a deep understanding of the sectors they were making investment decisions about and a strong commercial approach to financial sustainability and growth, versus being a Crown owned agency. It is hard for industry to fathom ITOs controlled by the Crown/government.

Our key concern with pre-2020 vocational education and training system settings was how learners were nudged towards campus-based training as workbased training was deprioritised. The result was a lack of continuity and a number of Level 2 graduates not furthering their training or work experience in the industry.

A key concern for industry in the post-2020 reforms included how standards setting moved out of ITOs into a separate operation. Although introducing competition to training provision was a welcome change, cost over runs were predicted.

Every system redesign option (pre-2020, Te Pukenga and proposed Options 2A and 2B) has lacked a sufficient level of functional integration between industry and the vocational education and training system. We see merit in advocating for a partnership model to drive a vocational education and training system able to meet its true purpose, on budget.

In this reform we must have a range of models that includes a workbased learning option for Food & Fibre, we need a system that is fit respond to the needs of the industry.

2.5 Current state

We have two grave concerns with the current VET system: a) the lack of a feedback loop back to the Food & Fibre Sector that allows industry to be the programme designer and to be across programme delivery and b) the lack of meaningful integration between industry and VET system functions.

The lack of attention to inserting independence and objectivity in the system design, results in industry always being under the control of some Crown entity with a vested interest in the VET system design (WDCs, COVEs, ITOs, Polytechnics) ensuring the system has a role for them in it. Under these conditions there will never be a requirement for co-design, accountability, transparency, evaluation and review.

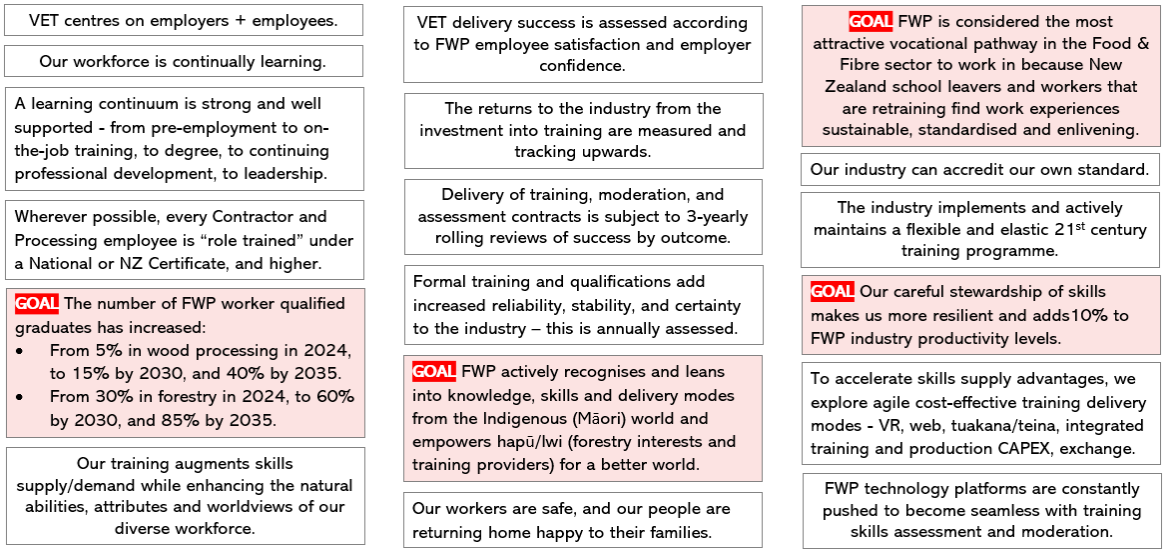
It is our opinion that a lack of appropriate level industry-regulation has contributed directly to current state dysfunction and dysregulation. This is evidenced and will be further exacerbated in the proposed future state where workbased learning gives way to pay for still over bloated standards setting.

We use this consultation as an opportunity to highlight areas where we have experienced dysfunction and dysregulation. We suggest an opportunity to do things differently in section # 3. Radical integration: a workbased training model.

Our views are informed by how we experience the current state of the vocational education and training functions as a forestry and wood processing industry. Some notes have been prepared here Appendix 1 how the FWP industry experiences VET functions.pdf

3. Radical integration: a new workbased training model

We see this redesign as a fresh opportunity to take up a challenge that has long been fought by separate businesses in forestry and wood processing i.e. a system that meaningfully integrates industry for better vocational education and training outcomes.



Pictured: A skills stewardship approach to vocational education and training outcomes for forestry and wood processing (PSG, 2024).

3.1 Food & Fibre Industry Statutory Standards Body

Under Option 2B a range (between 4-8) of standalone industry statutory standards boards to be established.

- Statutory bodies with industry and some ministerial governance would be responsible for standards-setting.
- Te Pūkenga's Work Based Learning division would be divided into new education organisations dedicated to specific industries.
- ITPs, PTEs, and Wānanga would still be able to offer industry training.
- Industry standards-setters would undertake some strategic workforce analysis and planning where their industry wished.
- Some industries would not have industry standards-setters and would have education standards set by NZQA instead.
- Industry standards-setters would not provide advice to the TEC.
- Industry standards-setters would be expected to ensure an even playing-field to support innovation, rather than favouring a particular mix of on and off-job delivery within industry training.

Integrate industry by:

- Allocating tier one status to the Food & Fibre Sector to be treated as a high priority "export focus" with training needs that require codesigned, sometimes bespoke solutions which may need to be commissioned.
- Formalising a Food & Fibre Sector partnership between industry and the Food & Fibre statutory standards setting body.
- Establishing a Food & Fibre Sector Reference Group to provide industry guidance to the Minister and officials for the statutory board. Made up of at least 10 food and fibre industries, and two Ministers this reference group would ensure fair apportionment of funding for industry-led programmes and initiatives to grow a resilient export focused sector.
- Earmarking funds for this purpose.

3.2 Forestry & Wood Processing Learning Hub prototype

We are ready to implement radical change!

We propose a prototype to help us keep our current workbased learning settings, close the loop and design across so we can play a role in a VET system that is nuanced by us to serve the Food & Fibre Sector in the future system. The Forestry & Wood Processing Learning Hub would be an industry-led initiative to make our industry safer, more productive, inclusive and resilient through workbased learning to:

- Ensure more of our permanent employees are certified and qualified.
- Attract and train new recruits/apprentices.
- Coordinate efforts and relationships to be more intentional and strategic across the range of training providers that we can come together under a model and plan of action.
- Support those that need learning support so they can become highly productive individuals.
- Design innovative training solutions - ongoing.

Why the component parts can be integrated:

Forestry is currently undergoing a qualifications review by people that will likely be in the future Statutory Standards Setting Body. We plan to use the insights from this review process to construct a future industry training plan.

At present the revised qualifications are being worked through a standards setting process. The process will take another 3-6 months. This means these qualifications will be (one of) the first sets to be worked through a newly minted VET system. As the first industry in the Food & Fibre Sector industry to undergo this process it makes sense for us to be a prototype for others.

- Some new programmes may end up being designed – and they will need endorsing.
- A new set of training resources will be required.
- A set or training arrangements will be organised.
- A new set of assessments and moderations will be put in place.

The forestry and wood processing Pan Sector Collaboration Group is also developing its own analysis, FWP Skills Stewardship Model, and action plan to ramp up forestry and processing.

We have plans to incorporate industry training distributed across a large number of providers comprising industry trainers, campus-based providers and PTEs. Those with innovative ideas, that want to test and implement alongside the vision as we grow our capability and export potential.

The ideas are ambitious. We are thinking big! One idea for example, is to integrate: Forestry qualifications, Forest earthworks and engineering qualifications, Wood processing and remanufacturing qualifications, Vegetation firefighting skills and qualifications, Driver Training (log cartage) qualifications and incorporated into a forest industry body qualification framework. Another is an industry training accreditation authority.

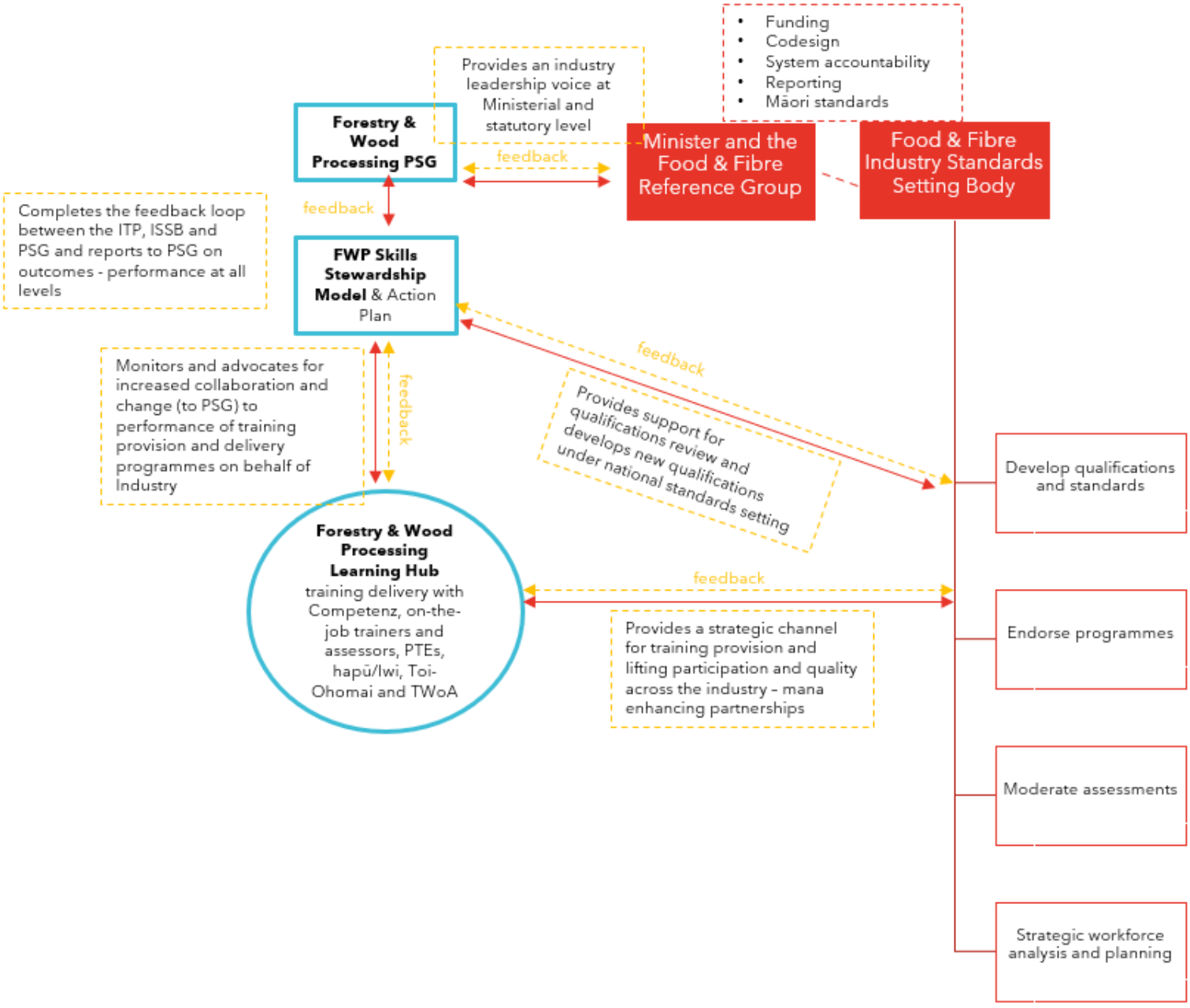
To do this – the industry needs to pull together the best of the options we have at hand. We would do this in a virtual way. Working from our own spaces but pooling ideas, and driving shared opportunities to build a mutually beneficial capability together.

It will need a coordinator and support. If we can coordinate our strategic vision for workbased training (augmented by other types of training) across the entire forestry and wood processing value chain, the approach has the potential to be supported widely.

At Food & Fibre Sector level – it would provide a prototyping opportunity for others to learn from. It would also help to iron out the problems with transitioning into the future system. We are already working with the Food & Fibre Sector CEs group to collaborate over the wider opportunity.

To do this, we really need the support of the system designers – the Policy Makers, the analysts, the funding architects. Please reach back to us for a meaningful dialogue about what this could mean and where we go from here.

Pictured: A graphic representation of a Forestry & Wood Processing Learning Hub prototype under a Food & Fibre Sector partnership with statutory standards setting body



Feedback on the Consultation Process

Consultations are an important feature of the democratic process; we take the opportunity to offer feedback to help improve the consultation process.

The best practice standard for a policy making consultation process in New Zealand:

1. The method and level of a public consultation must be appropriate to the policy proposal and audience.
2. The views of the public/stakeholders must be genuinely sought.
3. Parties are provided with sufficient information to make informed submissions.
4. There is adequate time for parties to make their submissions.

Key elements of the consultation could have been designed better including longer timeframe, more effective use of time during the consultation, including a table of terms or glossary to decipher technical language, and access to advisory staff – full feedback below:

We appreciated:

The problem definition "Why is change needed?" was well articulated.

It was good being invited to share what we thought worked or didn't work with a) Te Pukenga and b) the pre-2020 VET system - in a 30-min dialogue with the Minister (Food & Fibre CEs, 15:15 on 3 Sep 2024).

It was good to hear what the Minister needed to better understand in respect to the needs of the Food & Fibre sector.

Provided an opportunity for us to understand Te Pukenga to a much deeper level, how the vocational education and training system operates in New Zealand.

What didn't work:

- Too many acronyms - some were current, some were from the past, some don't exist yet - it was confusing.
- Information was omitted, for instance:

*Cost benefit analysis – of the social, cultural, economic risks, benefits and trade-offs, the opportunity loss, and or impact to for example industry's that rely on workbased learning, and the Learner Component of unified funding.

The detail on workbased learning, for instance how are learning resources to be paid for, who would assume ownership of institutional resources? In recent years resources have been a big draw on expenditure, typically taking 2-years of non-contact hours to complete. It is unclear who will pay for, develop, or hold these resources in trust for future industry training providers.

The discussion document refers to "industry-led" but it's not made clear what this means to The Minister/TEC; it therefore, felt misleading. For instance, what is the level of control that TEC/Industry will apply to a future ITB or statutory industry standards setting body - equal, less industry more future system, or vice versa. Where will that power sit?

Insufficient information related to risks and trade-offs – a rationale for how they were ranked, how they were predicted to be experienced by stakeholders, and how these considerations were translated into the Discussion Document.

Regulatory Impact Statement revealed some analysis of the potential impact to Māori and rural communities

- Time with the Minister too short – met with 10 other industries, we had 3 minutes, and zero time to ask clarifying questions and get comprehensive answers. The engagement felt one-sided (to inform the Minister, not clarify for the industries).
- The discussion document, Regulatory Impact Statement, and responses to questions provided by officials and the Minister unveil a very narrow choice range of highly technical models with (financial and impact) implications which are not readily apparent/highlighted.
- Six weeks was an unreasonable timeframe for industry to be expected to research and understand fully enough to make a confident response the implications of the proposals and options. We requested more time in writing, explaining how difficult it was to unpack, research and respond to the information, but the request was denied.
- We observed lack of care from the Ministry towards Te Pukenga and WDC staff thrust into job uncertainty through the consultation. Whilst no one ever fell short, complained, only worked above and beyond to provide support to industry – we recognised people weren't getting the support they needed and deserved.

Would help:

Access to TEC/MoE advisers for industry/sector groupings (e.g. Food & Fibre).

Appendices to the Discussion Document: Regulatory Impact Statement, Cost Benefit Analysis, Glossary of Terms.