Future Networks of Provision

For Capability Development in the Food and Fibre Sector

Workshop Background Paper

25 November 2025

Geoff Taylor
MacTaylor Partnership Consulting
e: taylor.h.geoff@gmail.com

Arthur Graves
Edubased Solutions
e: arthur@edubasedsolutions.com

FOOD & FIBRE CoVE
Learner-Focused, Industry-Led, Government-Enabled

Contents

1 Introduction

This document is provided as a backgrounder to an industry workshop investigating options for developing a future capability development network of provision for the food and fibre sector. The need for this work arises out of vocational education (VET) reforms that will lead to the disestablishment of the work-based learning (WBL) subsidiaries that currently sit in Te Pūkenga. Industry has the opportunity to help shape the future network of provision that emerges to deliver WBL once these organisations are disestablished.

The WBL reforms provide the urgent focus, however it is only part of a sector wide capability development system required for a thriving future. Given the declining numbers participating in WBL and issues with financial viability, any future solution is likely to be structured quite differently.

To this end an information gathering phase has been undertaken to help inform an industry workshop and the results reported this document. This backgrounder is organised as follows.

Background	– An introduction to the issues and opportunities
Current State	– A description of learning modes – Participation in VET – An outline of funding rates and volumes – The assets in the WBL available to be shaped for future needs
Stakeholder perspectives	– Perspectives from stakeholders on the current system and possibilities for the future.
Options	– Describes possibilities for arranging the network

Workshop participants will have varying levels of knowledge of the VET and capability development systems and therefore the document provides a level of explanation that will be unnecessary for many but will help ensure a common understanding.

2 Project purpose

Purpose of this project is to:

- Develop a vision for how capability building can be enhanced for the benefit of the sector.
- Develop a view on the future of WBL in the food and fibre sector and how it can be delivered effectively in the future.
- Propose options as to how the system can transition from current state to the preferred future incorporating the future of WBL.

The audiences for this work are the industry bodies who will be required to take a position and actively advocate for their preferred future and the ISB who are responsible for the transition of the WBL to its future state.

In Scope

- Due to the urgency created by the changes coming from the VET system, consideration of the network of provision for WBL is likely to take a greater focus.
- Consideration of wider capability building and how that can be enabled to meet the future needs of the food and fibre sector.

Out of Scope

There are a range of important issues in the future of the capability building that are not in scope for this project, including:

- Profitability of future solution. While the financial aspects of the transition are important, the way which industry wants to play will impact this for the future.
- Advocacy for changes in funding levels or regulation surrounding learners. This is the subject of a separate project led by Muka Tangata and the Food & Fibre CE's group.
- Qualification structure/ ISB functions

3 Terminology

Blended learning – a mix of online and face to face delivery

CPD – Continuing professional development. Used as a catch all for non-formal and informal learning. Can be used to describe a requirement of a registration scheme, i.e. to complete CPD points in approved programmes.

Distance Learning – Fully online provision. May rely on an independent assessor to validate competence in the workplace

EFTS – Equivalent Full Time Student, nominally 120 credits and 1200hours of learning. EFTS are also a funding unit used to allocate TEC training funds. The per student rate forms over 95% of government investment.

Industry – A subsector grouping of like production systems, e.g. Horticulture.

MOE – Ministry of Education

NZQA – NZ Qualifications Authority

PBL – Provider Based Learning

Sector – All industries comprising the food and fibre sector

TEC – Tertiary Education Commission

TEO – Tertiary Education Organisation, including ITPs, PTEs and Wananga

TWOA – Te Wānanga o Aotearoa, one of three official wānanga in Aotearoa

VET - Vocational Education and Training

Wānanga – A tertiary education provider that uses tikanga Māori ways of teaching and learning, contributing to the survival and wellbeing of Māori as a people and engaging Māori learners with education.

WBL – Work Based Learning

4 Background

4.1 Current reforms

The current reforms of vocational education mean that the Work Based Learning (WBL) Subsidiaries of Te Pūkenga (the Primary ITO and Competenz[1]) will be transferred into an ISB in January 2026. These subsidiaries will be unable to enrol students from June 2027 and at the end of 2027 will cease to trade, with learners transferred to another tertiary provider. This provider could be an evolution of the WBL subsidiary, but it will not be the same organisation.

Government's intention appears to be that future provision is taken up by the ITP sector. This ignores the challenges faced by providers to the food and fibre sector, which is characterised by small geographically dispersed businesses, and largely served by PTEs outside Te Pūkenga's WBL units, with limited involvement from ITPs.

The pressing question for the food and fibre sector is whether or not ITPs are the best home for WBL or if an alternative network of provision is appropriate, involving PTEs, wananga and industry itself? Drilling down a level:

- If the ITPs are the best custodians – does industry want to maintain any level of stewardship of VET and what might that look like?
- If not, ITPs are not seen to be the best way forward, what does a network of provision look like? Who's involved? How might that be built?

The construct for the future will also need to consider if the food and fibre sector moves ahead as a collective or as individual industries. The current consolidated model allows a greater pooling of resources and for some cross subsidisation which has supported smaller industries with non-viable training numbers. This is a critical feature of the training system.

Industry, thorough the ISB, has been given the opportunity to shape the future network of provision for WBL. This is unlikely to be binary, with different industry groups and regions best served by mixed approaches.

The timeline is condensed, with April 2026 looming as the date from which TEC will be considering new expressions of interest to deliver WBL from providers not already involved. A swathe of new providers has the potential for causing significant further fragmentation of provision. TEC states that these applications will be evaluated in

[1] Forestry has been within Muka Tangata's coverage and will continue to be part of the Food and Fibre ISB. However, they have been served by Competenz and not Primary ITO in the past. The direction of Competenz is not in scope for this project, but the opportunity to join the conversation has been extended to forestry, should they wish to align more closely with food and fibre.

conjunction with the ISB and industry to ensure there is a good fit. A firm view from industry will be required by this date.

Table 1: Timeline for disestablishment of WBL subsidiaries and development of a network of provision to take on capability development

Date	Milestone
28 Nov 25	• Cross sector workshop to develop and recommend to industry for the future of capability building and WBL.
16 Dec 26	• Project recommendations to CE Group.
31 Dec 25	• Muka Tangata and Te Pūkenga are disestablished.
1 Jan 26	• ISB forms & Te Pūkenga WBL Subsidiaries transition to ISB. • Ongoing work to agree industry approach.
March 26	• Food and fibre sector in agreement on way forward for WBL and signal this to TEC in advance of opening up EOI. Depending on intent the sector may request from TEC that no new WBL is enabled until such time as industry's preferred approach has had the opportunity to become established. • TEC opens EOI process to new WBL providers.
July 26	• Investment plans due to TEC for 2027 • Preparation for implementation of first part of transition plan, with agreement on learner transitions for 2027.
30 June 27	• Last day for WBL Subsidiaries to enrol learners • Wind down phase of WBL Subsidiaries commences, with learners transferred to successor entities.
July 27	• Investment plans due to TEC for 2028 • Wind down phase of WBL Subsidiaries commences, with learners transferred to predetermined successor entities. (May start earlier depending on the transition plan)
31 Dec 27	• WBL disestablished.
1 Jan 28	• New network operational.
2028-2035	• Ongoing network development to enhance overall capability development network.

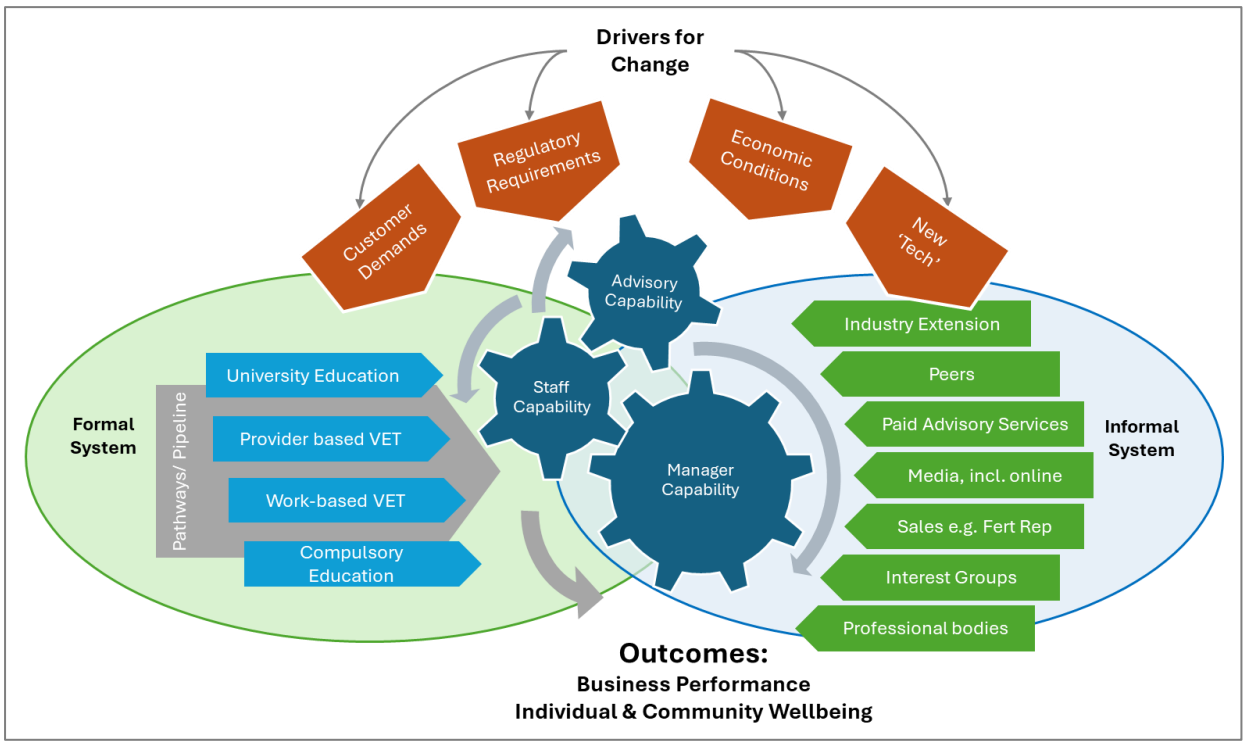
4.2 The wider capability building system

The reforms outlined above are becoming urgent and justifiably are receiving a lot of attention. However, declining enrolments and consequent financial viability challenges, suggest the current WBL model is not meeting industry needs. Therefore, the broader question of what a suitable capability development system should look like for the

wider food and fibre sector should be considered, rather than just focussing on a transition of WBL.

The VET system is part of a wider capability building system (see Figure 1) that supports businesses to adapt and thrive in an ever-changing environment. This wider system, including non-formal and informal learning, leads VET in that it tends to deal with topics before they become embedded in qualifications, and reinforces VET through supporting on the ground implementation, e.g. through discussion groups.

Figure 1: Representation of the food and fibre capability development system.



The current disruption in the VET sector provides an opportunity to rethink the future of the broader capability development system. A more coherent and cohesive approach to capability development across sectors and up and down the value chain could allow a step change in capability development.

This wider system question is not urgent, but it is important to ensure that any moves made to reset WBL do not rule out future possibilities that could have a significantly positive impact on sector capability development.

4.3 The need for industry stewardship

Much attention in the reforms to date has been devoted to industry leadership but has been confined to ensuring industry voice is embedded in the ISBs to lead qualification development. The concept of 'industry stewardship' goes further to consider how

industry can influence the VET system, integrate with it and support it to deliver greater impact for their members.

The need for stewardship arises because VET is expected to meet multiple objectives for stakeholders with potentially misaligned interests, for example:

- Scale of employers is often too small to actively participate in qualification and programme development and therefore qualifications diverge from employer and learner needs.
- Disconnects between workforce needs and provision, e.g. training occurring at L3 (assist) when industry needs graduates at L4 (manager). which often leads to disconnects between VET provision and employment outcomes.
- TEC funds 70%+ of a programme and by default becomes the customer for the provider, with products optimised to meet funding objectives rather than employer and learner needs.
- Misrepresentation of 'industry' by providers to achieve approvals.
- Funding decisions that are disconnected from an understanding of industry priorities and skills needs.
- A lack of focus on outcomes
- Unhelpful competition that fragments demand and/or does not meet industry needs.
- Responsiveness of the system to changes in industry practice or objectives and integration with the non-formal/informal system.

Industry, through involvement in the system, aims to provide stewardship and smooth out these imperfections by:

- Aggregating member insights and:
  - Participating in qualification reviews and in advisory groups
  - Participating in governance at different levels.
  - Working to influence policy – often collectively as a sector.
- Monitoring system performance.
- Investing in provision where it is critical to industry objectives.
- Communicating with their members about VET to:
  - Increase understanding of the system, including how it works, their responsibilities as employers and the value of learning to businesses.
  - Increase demand
  - Direct members toward preferred providers.

In representations to Government over recent year the mantra has been:

> *'Industry led, learner focussed, and Government enabled'*

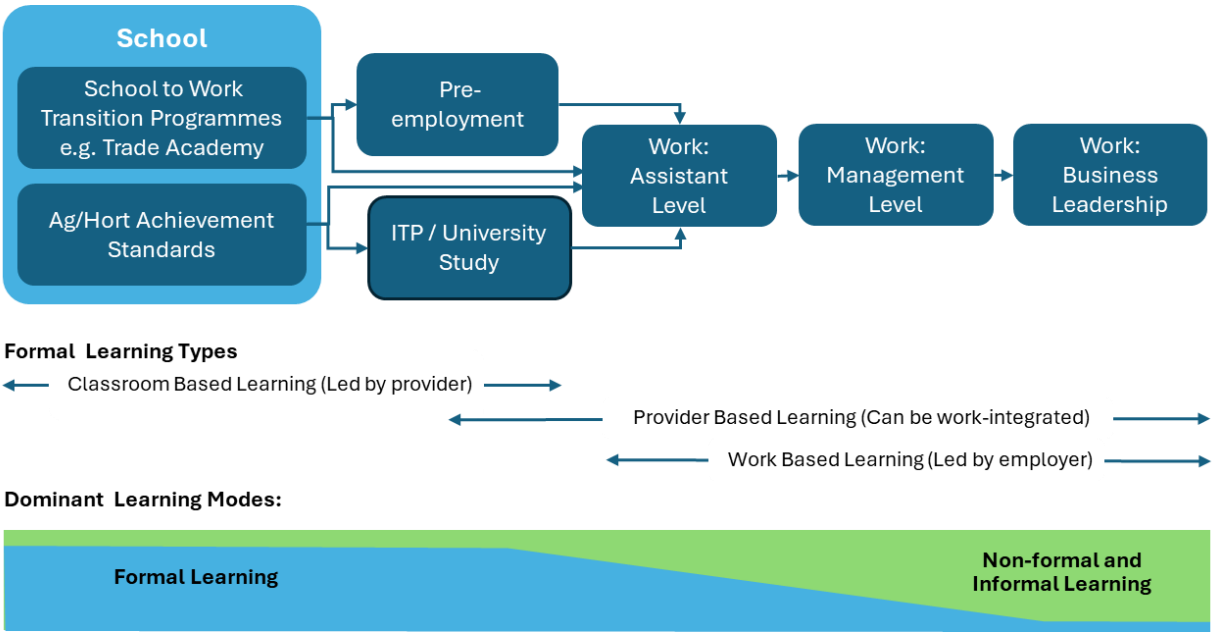
Muka Tangata has been able to take on a large part of this leadership and stewardship role on behalf of industry and as a result industry has stepped back, becoming largely passive. In the current changes to the VET system, ISBs have lost some of the legislative mandate held by Muka Tangata, and combined with a significantly reduced budget, they will be unable to carry on much of the work that supports this leadership/stewardship.

If industry is concerned about the future of VET and how it can effectively contribute to capability development and a thriving future for the sector, then industry will need to rethink how they engage.

5 Learning modes and pathways

This section is provided to align interpretations of some of the jargon that is prevalent in capability development. Career paths may not be as linear as that depicted, however, enabling an individual's progression toward business leadership is the and the increasing capability required is the is the reason for the system.

Figure 2: Learning types and modes mapped to an idealised career pathway



Descriptions of the learning types and modes highlighted in the figure above are provided in the following tables, alongside the relative strengths and weaknesses.

Note that **Work Integrated Learning** has been omitted from further elaboration as it is an intermediary between provider and work-based learning. It's designed to enhance employability skill allowing students to apply classroom knowledge in real workplace contexts and bring workplace insights back into their academic learning. Like WBL it involves a tripartite agreement between the student, education provider, and the employer.

Table 2: Comparison of formal, non-formal and informal learning modes

	Formal Education	Non-Formal Education (Incl Extension)	Informal Education (Incl Extension)
Examples in Food & Fibre	Bachelor of Agricultural Science, NZ Certificate in Horticulture	Industry workshops, short courses on various topics, leadership programmes	Farm field days, Learning from a seasoned farmer, YouTube tutorials, community discussion groups
Target Audience	School leavers, career changers, professionals seeking formal qualifications	Workers who are upskilling, industry entrants, lifelong learners	Industry stakeholders who need to understand business environment, and anyone interested in keeping up to date.
Structure	Highly structured; follows national curriculum and qualification frameworks (e.g., NZQA)	Semi-structured; tailored programs, workshops, short courses with clear learning outcomes.	Unstructured; learning through experience, observation, and conversation
Flexibility	Low; qualifications reviewed infrequently, and programmed changes require approval from regulators	Moderate to high no barriers to change other than market focus	High; changes depending on participant needs and interests.
Assessment	Standardized assessments, with results recorded in academic record (NZQA).	May be assessed, or not. Competence not recorded. Standards inconsistent. Certificate of completion often issued	No formal assessment: learning is self-evaluated or peer-validated
Quality Control	Regulated by government bodies (e.g., NZQA, TEC); subject to audits and reviews	May follow industry standards; quality varies by provider	No formal quality control; depends on context and individual experience
Reputational Value	Moderate; qualifications are widely recognized as signalling tenacity and achievement	Moderate; based on perceived industry relevance and provider reputation	Variable: depends on the learner's network and demonstrated competence
Typical Delivery Agents	ITOs, Universities, Polytechnics, Wānanga, Secondary Schools	Industry bodies, for purpose providers such as DWN or Rural Leaders	Industry bodies, farmers, mentors, peers, community groups, online forums
Funding	Government subsidies (TEC), student fees, and scholarships	Industry sponsorship and participant fees	Generally free. Paid for by industry bodies, government and commercial organisations.

Table 3: Comparison of provider-based and work-based learning.

	Provider-Based Learning	**Work-Based Learning**
What is it?	• Learners are enrolled with a provider and study mainly at an approved delivery site (for example a campus) with teaching activities such as lectures and tutorials plus supported self-directed learning. • Can extend to blended delivery models where the learning experience includes practicums, field or clinical placements and internships where no formal employment exists.	• Work-based learners are employees or contractors enrolled with a provider, but they study mainly in the workplace, combining on-the-job learning with supported self-directed study and in some cases off-job learning days. Learners are typically employees, contractors or volunteers and receive training support from both the provider and the employer. • Suited to apprenticeships, industry training and programmes where skills are best learned through employment and workplace practice.
Delivery Setting	• On-site at a provider campus or NZQA-approved delivery site, blended online delivery is allowed but cannot be the only form. • Providers deliver all teaching, training and assessment activities toward NZQA approved credentials; assessment includes verification and moderation and may involve externally sourced assessment resources.	• Learning happens mainly in the workplace with off job training as required, either in person or on-line. • Providers support employers by enrolling learners and defining the course of study, they deliver learner support, assessment, verification and quality assurance to NZQA standards. • Providers also help build employer capability for training and assessment.
Support Model	• The provider is responsible for learner health, wellbeing and pastoral care in line with the Education Code of Practice 2021 (Pastoral Care)	• WBL is a three-way partnership with both provider and employer sharing responsibility for training and wellbeing support. Providers retain overall pastoral care responsibility.

Table 4: Strengths and weaknesses of provider and work-based learning

	Provider-Based Learning	**Work-Based Learning**
Learning Environment	• Controlled setting for learners to build confidence before entering the workforce. • May lack direct connection to current industry practices or tools. • Learners may need additional support to bridge the gap between study and work.	• On the job providing immediate application of skills, enhancing relevance and retention, including soft skills like teamwork, communication, and time management. • Learning may be inconsistent depending on workplace priorities and mentor availability. Can result in remote business leaders delegating training responsibilities to ill equipped middle managers. • Limited opportunities for reflection or theoretical grounding. • Not all employers can provide learning in all aspects of a qualification due to firm size or business approach.
Resource Constraints	• Some providers may lack up-to-date equipment or industry-standard facilities.	• Workplaces may not be equipped to support structured learning or assessment. • Equipment may be outdated
Structured Curriculum	• Offers a well-defined curriculum aligned with national qualifications.	• Learning is contextual and directly tied to real-world tasks and industry needs.
Educators	• Delivered by trained tutors with pedagogical expertise.	• Mentors and supervisors provide practical insights and industry-specific knowledge. • May not have skills to act as tutor.
Peer Interaction	• Opportunities for social learning and collaboration with other students. Students at same level of learning and often same age and stage.	• Exposure to workplace culture and professional networks. In small businesses can be isolated. • All peers are effectively 'tutors' without knowing it, posing a risk to quality. • In the food and fibre sector learners are often living at the place of work which can make it difficult to 'get away' if needed.

	Provider-Based Learning	Work-Based Learning
Motivation	• Learners may struggle with engagement, especially if disconnected from employment goals.	• Realities of work mean that motivation can be difficult to maintain. • Learners may not receive formal instruction or theory to support practical tasks.
Duration	• Learners can study up to 120 credits per year – a full-time course.	• Can study up to 70 credits acknowledging the learner is in work, meaning WBL takes twice as long to complete the same credit level programme. • The need to learn and demonstrate competence in practical skills also means the duration of learning can be extended.
Assessment Consistency	• Standardised assessments may not reflect individual strengths or learning styles.	• Assessment can be informal or vary widely across employers.
Funding	• Receives higher rates reflecting investment required in infrastructure.	• Lower rates of funding problematic where learners are geographically spread leading to high transaction costs for provider.

Source: TEC.govt.nz

6 Participation in formal learning

6.1 Food and fibre ISB coverage

The food and fibre ISB will have coverage for the industries listed in Table 5. These industries contribute 11% of NZ GDP, 80% of merchandise exports, and employ around 320,000 people (11% of total employment). The sector is important to New Zealand.

Coverage also includes industries like Green Infrastructure and Sports Turf, due to the high level of common skills across these industries and core parts of the Food and Fibre sector.

Table 5: Food and fibre ISB industry coverage as of October 2025

Food and Fibre ISB Coverage	
• Agrichemical • Agriculture incl. livestock, pork, poultry • Animal care and behaviour • Apiculture • Aquaculture • Conservation/ environmental • Equine incl, coaching & therapeutic riding • Fencing • Field Hydrology and Irrigation • Fishing and seafood • Forestry including forestry management	• Green Infrastructure – incl. arboriculture and landscaping • Horticulture including seeds • Pest control • Primary industries skills incl. production and business management • Rural contracting and servicing • Sports turf • Sustainability • Viticulture/ Wine making/ Cellar ops • Wool handling and shearing

6.2 Participation in capability building

Understanding how participation in VET breaks down is important for considering what comes next. This section breaks down provision by subject area, provider type, NZQA level and location.

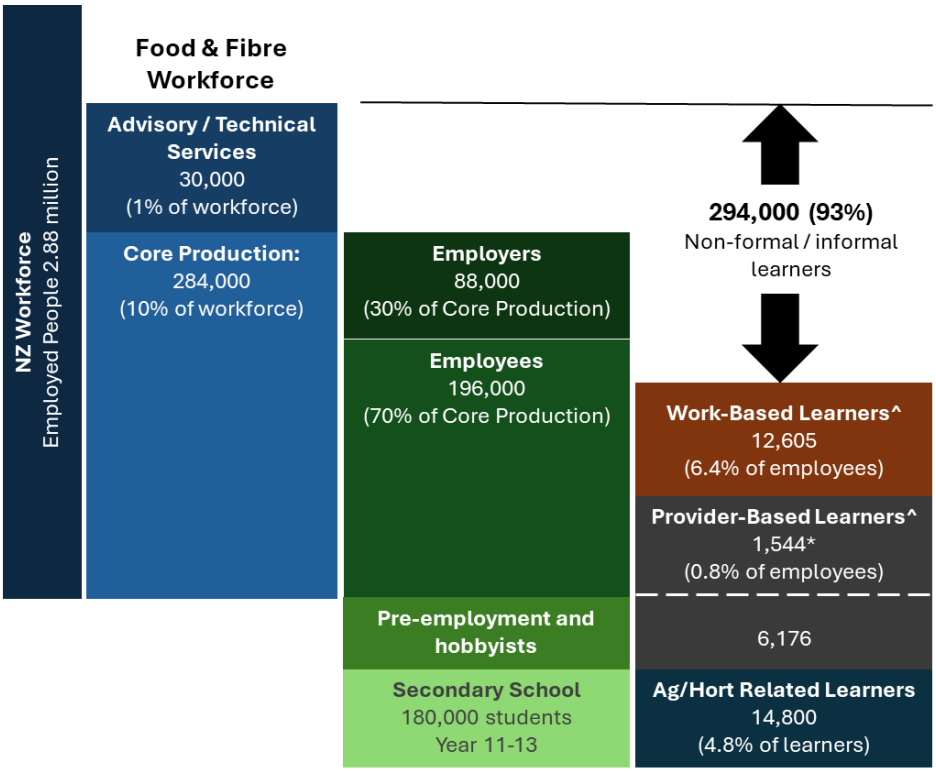
At a high level, participation in capability building is outlined in Figure 3. The data shows there are approximately 20,300 people involved in VET. Not all of these learners will have impact in the sectors' workforce. It is estimated[2] that 80% (6,176) of provider-based learners are in pre-employment and hobbyist programmes and will not engage in the sector's workforce.

At best VET represents 7% of the total food and fibre workforce, leaving a further 93% to build capability through other routes.

[2] This estimate is based on discussion with industry observers. It is not readily available in the data published by the education sector.

In addition, there are 14,800 learners involved in food and fibre sector related programmes in the compulsory education sector, which equates to 4.8% of senior (year 11-13) learners.

Figure 3: Participation in capability building in the food and fibre sector.



^ Derived from TEC's Nga Kete provider portal and provided by the Primary ITO. The data is for funding category Delivery at Qualification at levels 3-7 (DQ3-7) excluding degree level. This is the main fund for vocational education, covering the majority of WBL activity. It does not include foundation training at Level 1 and 2, Youth Guarantee, MPTT or ACE funding.

* Assumes 20% of the 6,720 provider-based learners are in some form of employment relationship and studying through mechanisms such as managed apprenticeships.

Secondary school participation based on Education Counts data

A more detailed breakdown of provision in the formal system, including role, ethnicity, tenure, previous qualifications, etc, is provided by Muka Tangata in their workforce development plans[3], which include excellent dashboards providing data and trend analysis including skills forecasting models.

#

[3] https://mukatangata.workforceskills.nz/explore-industries/all-food-and-fibre#overview

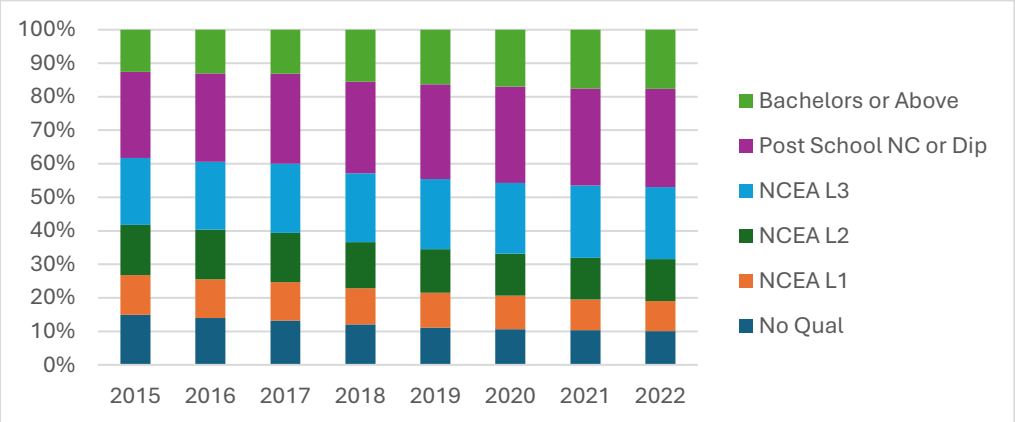
6.2.1 Training penetration in the workforce

Market penetration of learning can be gauged based on new entrants, the audience most likely to engage with training, and average duration for a learner. There are approximately 63,000 new employees that enter the sector annually, and 9,300 people in work-based or work-integrated learning. Duration is more difficult capture at industry level, however if it is assumed the average learner takes 3 years (duration) to work their way through their industry qualifications, this suggests there are around 3,100 new graduates annually, or that just 4.8% of new entrants entering. If the average duration was assumed to be 2 years, this would equate to 7.3% of new entrants training.

Concerningly, industry statistics reveal that 47% of staff depart the industry within three years, so the return on investment for training is short lived if they follow the average. If this is the case, just 2-3% of trained new entrants in each cohort will survive in the sector beyond three years. Because training is a great retention strategy, it is likely trained staff outperform the industry averages on tenure.

Low engagement rates and reduced demand for training may also be partially explained by rising levels of qualifications across the board (See Figure 4). In the last decade the number of staff that now possess a post school qualification has risen from 39% to 48% of the workforce. Within this group, those with bachelor's qualifications or higher have increased been responsible for 6% of the lift with other post school qualifications 3%. Most of this will be a result of qualifications new entrants are bringing with them, although it is unclear if these qualifications are coming with domestic or international staff. Regardless, it would appear that industry is able to 'buy' greater capability at present.

Figure 4: Highest qualification of industry participants over time.



6.2.2 Formal participation by industry

Breaking this down to industry level, participation is generally low, with forestry and beekeeping being the exceptions. Forestry has a history of training which has carried through from NZ Forest Service and is critical in what is a high-risk industry.

In the case of beekeeping it should be noted learner figures are inflated by introductory programmes, and hobbyist enrolments that may not ultimately contribute to industry outcomes. This is also true in the horticulture sector where 1,800 learners or 45% of all learners in horticulture, viticulture and nursery are enrolled in the Level 3 General Horticulture programme, via the Open Polytech. A large proportion of these people are thought to be hobbyists with little likelihood that their training will ever be utilised in work.

Table 6: Participation rates in learning by sub-sector.

	Learners^ 2024	Workforce*	% of Workforce in Training
Ag/ Ag Science/ Husbandry	4,410	109,909	4.0%
Beekeeping	430	2,582	16.7%
Equine Trades	190	4,481	4.2%
Forestry Studies	3,735	16,389	22.8%
Hort/ Viticulture/ Nursery	4,025	70,395	5.7%
Seafood/ Aquaculture/ Fisheries	1,050	14,693	7.1%
Support Services (Land Skills, Pest & Weed & Wool)	850	65,717	1.3%
TOTAL	**14,690**	**284,166**	**4.7%**

^ Derived from TEC's Nga Kete provider portal and provided by the Primary ITO.

* Muka Tangata Workforce Development Plans

Low participation rates in other sectors are reflective of changing workforce dynamics, including issues such as:

- Low retention rates discouraging employers from investing in training.
- Utilisation of international workers which:
    - Introduces language barriers preventing them from properly participating in learning, especially the off-job components.
    - Introduces differing motivations for workers, for example Recognised Seasonal Employees often just want to work and send their wages home, because the seasonal nature of the work means it is a short-term gig, and training can reduce earning ability.
- Hollowing out of the workforce through reducing the scope of individual responsibilities by narrowing or automating tasks, which results in a reduced

level of knowledge required by the workforce and therefore reduced need for training.

- An increasing proportion of staff in food and fibre sector businesses, increasing distance between ownership and staff in a management sense as well as in terms of opportunity.

Industry contends that the training system has failed to keep up with these changing dynamics and the products available are now not fit for purpose.

6.2.3 Formal participation by sector & level

Cutting the data by level provides a view on progression of learners in the sector. In most sectors except horticulture there is reasonable progression between levels, with horticulture distorted by the Open Polytechnic course as described.

Table 7: Formal VET participation by sub-sector and level

Subject Area	2024 Learners	2024 EFTS
Ag/ Ag Sci/ Husbandry L2	115	25
Ag/ Ag Sci/ Husbandry L3	2,230	580
Ag/ Ag Sci/ Husbandry L4	1,690	580
Ag/ Ag Sci/ Husbandry L5	375	60
Ag/ Ag Sci/ Husbandry L6	0	0
Wool HarvestingL4	60	15
Ag/Ag Sci/ Hus/Wool-TOTAL	**4,470**	**1,260**
Beekeeping L3	355	135
Beekeeping L4	75	25
Beekeeping - TOTAL	**430**	**160**
Equine Trades L3	75	5
Equine Trades L4	115	40
Equine Trades - TOTAL	**190**	**45**
Forestry Studies L2	285	25
Forestry Studies L3	1,940	440
Forestry Studies L4	1,490	450
Forestry Studies L5	0	0
Forestry Studies L6	20	20
Forestry Studies - TOTAL	**3,735**	**935**
General Land Skills L3	380	150
General Land Skills L4	50	35
General Land Skills L5	15	S
General Land Skills - TOTAL	**445**	**185**

Subject Area	2024 Learners	2024 EFTS
Hort/ Viticulture L3	3,560	1,185
Hort/ Viticulture L4	370	175
Hort/ Viticulture L5	35	10
Hort/ Viticulture L6	60	15
Hort/ Viticulture - TOTAL	**4,025**	**1,385**
Pest and Weed Control L3	140	45
Pest and Weed Control L4	150	10
Pest and Weed Control L5	20	S
Pest and Weed Control L6	35	20
Pest and Weed Control - TOTAL	**345**	**75**
Seafood/ Aquacul/ Fish L2	150	30
Seafood/ Aquacul/ Fish L3	495	140
Seafood/ Aquacul/ Fish L4	365	135
Seafood/ Aquacul/ Fish L5	5	S
Seafood/ Aquacul/ Fish L6	35	S
Seafood/ Aquacul/ Fish - TOTAL	**1,050**	**305**

Note:

S = Suppressed as total is less than 5

^ Derived from TEC's Nga Kete provider portal and provided by the Primary ITO.

* Muka Tangata Workforce Development Plans

6.2.4 Formal participation by level, subject and provider type

The following tables illustrates the current division of learner coverage between provider types based both on level and subject. WBLs dominate VET provision for the food and fibre sector at 54% of learners, followed by ITPs (26%) and PTEs (18%).

Level of provision in both ITPs and PTEs is dominated by introductory level courses, with around 80% of programmes at level 3. In WBL there is a greater progression between levels consistent with learners progressing in their careers.

There is also differentiation on a subject basis. ITPs dominate horticulture provision, which is likely to reflect horticulture being concentrated around urban centres and easier to access urban based ITPs. WBLs dominate agriculture, and forestry provision which are more geographically dispersed, as well as meat and seafood processing employers, which are centred around larger businesses that value the flexibility of WBL and the ability to fit it around work scheduling when the employer takes the lead.

Table 8: Formal participation - learner numbers by level and provider type 2024

	ITP	% of Learners	PTE	% of Learners	Uni	% of Learners	Wananga	% of Learners	WBL	% of Learners	TOTAL	% of Learners
Level 2		0%		0%		0%		0%	550	7%	**550**	**4%**
Level 3	3,060	79%	2,035	78%		0%	75	36%	4,005	50%	**9,175**	**62%**
Level 4	625	16%	250	10%		0%	135	64%	3,355	42%	**4,365**	**30%**
Level 5	85	2%	260	10%	45	100%		0%	60	1%	**450**	**3%**
Level 6	100	3%	50	2%		0%		0%		0%	**150**	**1%**
TOTAL	**3,870**		**2,595**		**45**		**210**		**7,970**		**14,690**	
% of Learners	**26%**		**18%**		**0%**		**1%**		**54%**			

Table 9: Formal participation – learner numbers by subject and provider type 2024

	ITPs	PTEs	Universities non-degree	Wananga	WBL Subsidiaries	TOTAL	% of Learners
Agricultural Science	*25*	*190*	*165*	*20*		***400***	**2%**
Agriculture not elsewhere classified	*165*	*270*	*45*		*135*	***615***	**3%**
Ag, Environment & related - not elsewhere classified					*575*	***575***	**3%**
Animal Husbandry	*120*	*40*	*140*		*2,615*	***2,915***	**14%**
Aquaculture	*40*					***40***	**>1%**
Beekeeping	*70*	*300*			*85*	***455***	**2%**
Crop Production		*0*	*140*			***140***	**1%**
Equine Trades		*15*			*175*	***190***	**1%**
Fisheries Studies not elsewhere classified	*10*	*50*				***60***	**>1%**
Food (excluding Seafood) Processing Technology	*50*	*0*	*15*		*2,075*	***2,140***	**11%**
Forestry Studies	*240*	*15*	*5*	*15*	*3,380*	***3,655***	**18%**
General Land Skills	*320*	*140*			*0*	***460***	**2%**
Horticulture	*2,345*	*1,275*	*25*	*195*	*2,415*	***6,255***	**31%**
Marine Craft Operation	*440*	*315*			*0*	***755***	**4%**
Pest and Weed Control	*200*	*110*			*440*	***750***	**4%**
Seafood Harvesting (Fishing)		*20*				***20***	**>1%**
Seafood Processing	*30*	*70*			*710*	***810***	**4%**
Viticulture	*25*		*5*			***30***	**>1%**
Wool and Fibre Harvesting	*60*					***60***	**>1%**
Total	***4,140***	***2,810***	***540***	***230***	***12,605***	***20,325***	
% of learners	***20%***	***14%***	***3%***	***1%***	***62%***		

6.2.5 Formal participation by organisation and location

This table illustrates the current distribution of learning by organisation and location.

Table 10: Provision by Tertiary Education Organisation and location

Row Labels	Main Location	Average EFTS 24/25^	Average Learners 24/25^
North Tec Ltd	Northland	63	223
AMA Group Training Limited	Auckland	5	13
Franklin Institute of Agri-Technology Limited	Auckland	8	8
Skills Update Limited	Auckland / BoP / Canterbury	125	440
WINTEC	Waikato	48	108
Valley Education & Training	Waikato	S	13
Land-Based Training Limited	Waikato / LNI / Canterbury	305	598
Toi Ohomai	BoP	50	215
Pacific Coast Technical Inst.	BoP	43	173
Fruition Horticulture (BOP)	BoP	10	58
Te Wananga o Aotearoa	BoP	0	48
Te Whare Wananga o Awanuiarangi	BoP / Hawkes Bay / Waikato	148	253
Vertical Horizons New Zealand Limited	BoP / Wellington	3	83
Te Rūnanga O Tūranganui A Kiwa	East Coast	8	15
Eastern Institute of Technology (EIT)	Hawkes Bay / East Coast	300	678
WITT	Taranaki	28	78
UCOL	Lower North Island	S	23
Ag Challenge Limited	Lower North Island	5	15
Horowhenua Learning Centre Trust Board	Lower North Island	0	3
NMIT	Nelson / Marlborough	75	335
Westport Deep Sea Fishing	West Coast	S	20
National Trade Academy Limited	Canterbury	10	70
Otago Polytechnic	Otago	58	120
Open Polytechnic	National	265	1593
NZ Management Academies Limited	National	335	775
SIS Training & Consulting Ltd	National	28	40
Primary ITO	National	1,025	4,120
Competenz	National	668	2,770
Southern Institute of Technology (SIT)	National	160	430
Dairy Training Limited	National	23	208
Seafood Training Services	National	20	53
Massey University	National	S	65
TOTAL		**3,812**	**13,635**
Total delivered by National Providers		**2,523**	**10,053**
Share by National Providers		**66%**	**74%**

^ An average is presented due to fluctuations in provision by some TEOs. Because 2025 numbers are finalised total provision is underestimated, however geographic spread is expected to be consistent.

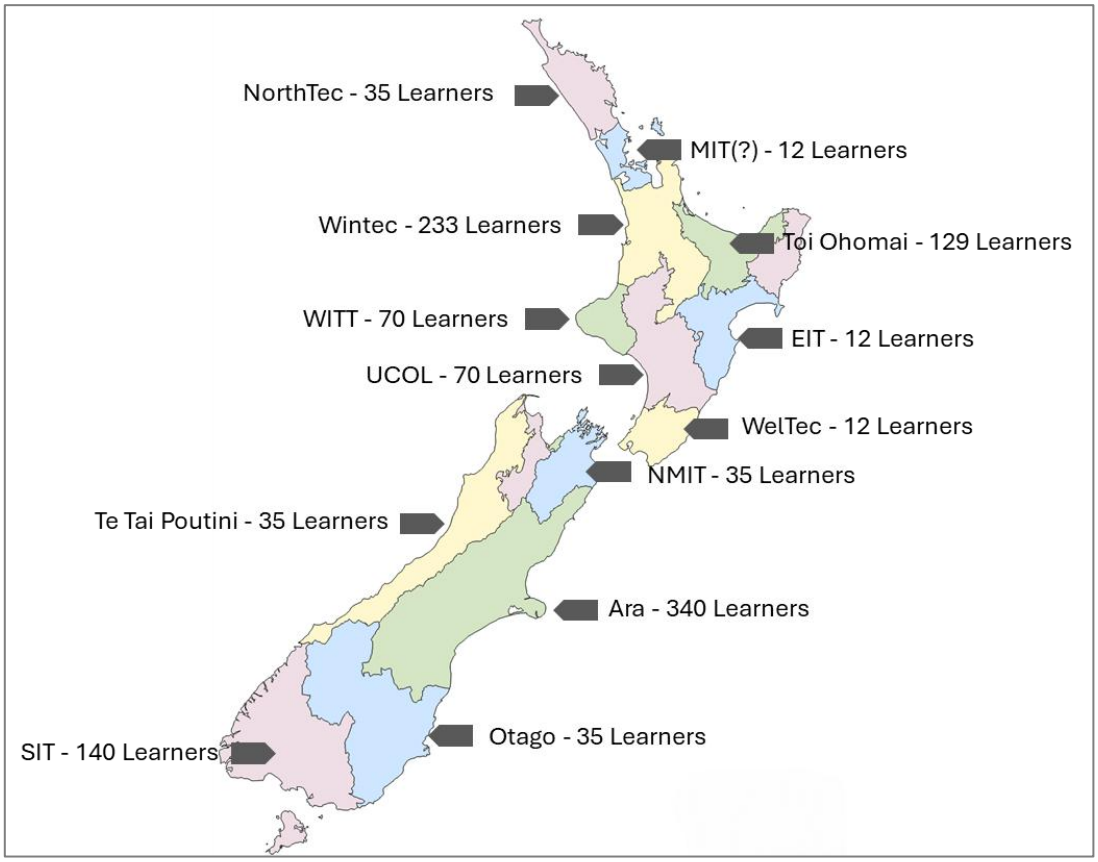
Regional distribution of learning is important to ensure that coverage is available. As is to be expected the national players have the majority of provision accounting for 66% of EFTS and 74% of learners. From the larger providers remaining, Land based Training and Skills Update, they are partially national and do appear to have coverage in the key pastoral agriculture regions. Distribution of learners and providers appears reasonable.

Due to training and sub-contracting arrangements these figures should also be taken as indicative. There is provision occurring nationally that is not picked up in this data set, for example, forestry provision subcontracted through Te Wananga O Aotearoa, or Growing Future Farmers which is delivering nationally, but their provision shows up locally with EIT.

Regional distribution and impact on future delivery

Should the default scenario occur and there is a mass transfer of learners from WBL to ITPs, regional distribution of learners will prove to be a problem in those industries that are not dominated by large employers. For example, in 2024 the Primary ITO had approximately 1,094[4] learners enrolled in dairy farming programmes across all levels. Figure 5 illustrates how these would be split if they reverted to their local ITP.

Figure 5: Regional distribution of dairy farming workers by ITP



[4] Case Study: The Impact of Export Revenue on Participation in Dairy Sector Vocational Education, Food & Fibre CoVE, 2025

Under this scenario it is likely that only Waikato, Bay of Plenty, Canterbury and Southland would have sufficient numbers to justify provision, if not part of a larger network. Regions like Taranaki and Manawatu would be on the cusp, but distances to travel may mean that training would need to go online, assuming it is available. All other regions would be likely to have on-line provision only which is not well suited to practical, hands-on staff and has been linked to declining participation.

This breakdown takes no account of the ITP's ability to receive these learners and provide for them. For example, Ara currently has no pastoral agriculture provision, and they may have no ability or desire to develop that provision.

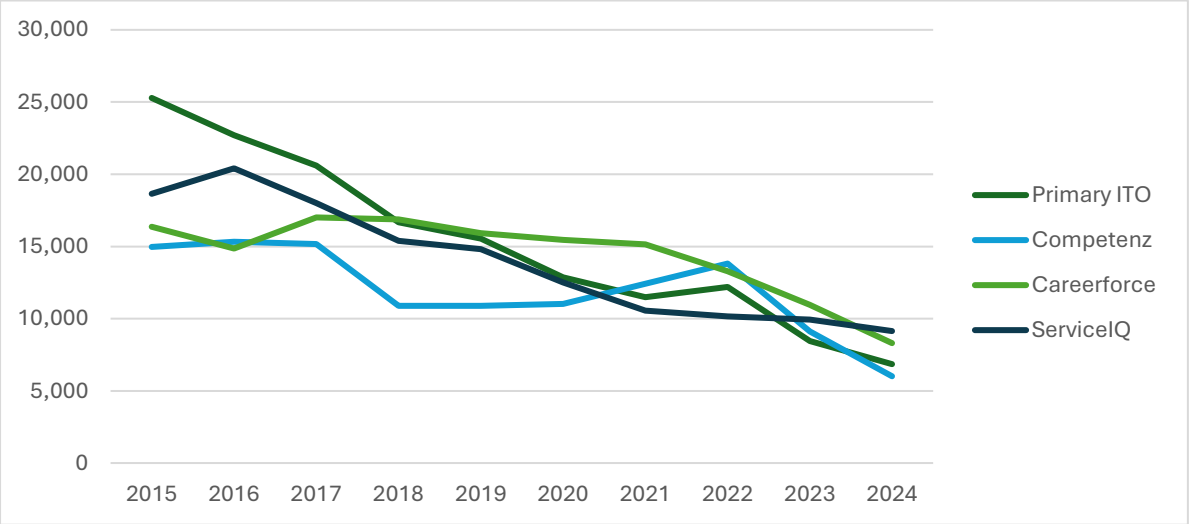
If the dairy industry wants nationally consistent provision, they will need to be proactive in encouraging ITPs to be collaborative and working with other ITPs, Wananga and specialist PTEs, as well as with industry to provide a comprehensive suite of options. This may require support for training in non-viable areas. Alternatively, industry will need to develop their own delivery network that achieves.

This dynamic will be even more evident in industries with smaller numbers of learners.

6.2.6 Impact of demand in formal education

Large parts of the education system have been under financial pressure since the formation of Te Pūkenga in 2021 and this is a significant driver of the current reforms. Financial pressure is being exerted by rising costs but is being exacerbated by declining enrolments in a volume-based funding system. The following commentary draws on information from the Primary ITO but is reflective of the wider situation.

Figure 6: Enrolment trends in four work-based learning providers



Source: Education Counts - Learners in VET by field of study 2024/2025

Figure 6 two illustrates the long-term trend in learner participation across four WBLs that transitioned into Te Pūkenga. Learner numbers, EFTS and therefore revenue have

effectively halved over this period, the reasons for which are complex. However, with relatively 'sticky' overheads and delivery costs (it costs almost the same to deliver to 20 learners as it does for 10) profitability has suffered.

With the current business cycle and record returns to many parts of the sector, there would seem to be few excuses for employers not to be engaging with formal training. However, indications from the Primary ITO are that their roll will fall further in 2025[5] (See Table 11). The number of employers remains stable, with the decrease in learners occurring as a result of declining learners per employer in some of the larger nationally arranged industries.

Employers tell us that the factors affecting demand include:

- Esteem of the programme, including balance of academic vs practical skills and future focus
- Price sensitivity – especially if 'extension' provides the same for free
- Length of programmes
- Poor cultural fit, especially for predominantly Māori workplaces
- Timing of programmes to fit with employment and work patterns
- Delivery locations
- Online vs in person
- Difficulties created by learners with English as a second language.

However, the decline is not all a result of these factors, there are sector dynamics at play that explain what's happening in some industries, for example:

- Fonterra has taken its dairy processor training in house, dropping learners from 350 in 2023 to 108 in 2025
- Seafood processing investment in new programmes in 2021/22, served to bring through a bow wave of new learners. As these learners graduate there are fewer learners to replace them, and a steady state will be reached in 2-5 years that is likely to be lower than today. A similar dynamic is evident in the meat industry and occurred in milk quality programmes in the on-farm dairy industry. These waves are difficult to anticipate and can lead to a distorted view of 'normal'.

In more stable industries like amenity horticulture, dairy farming or sheep beef and deer farming learner numbers have been more stable, but certainly not increasing.

This highlights the need for good data to support training forecast models that are grounded in employer world views, not a capability world view which optimistically sees their product as critical.

[5] The decline may be lower if there is a rush of new learners recorded in late 2025.

Table 11: Learner and employer number by industry grouping at Primary ITO

	2023			2024			2025^			
IPG	**Learners**	**Employers**	**Learners/ Employer**	**Learners**	**Employers**	**Learners/ Employer**	**Learners**	**Employers**	**Learners/ Employer**	**% change 2023 to 25**
Amenity Horticulture Services	694	368	1.9	725	391	1.9	586	304	1.9	***-16%***
Dairy Farming	948	724	1.3	1,094	837	1.3	1,013	761	1.3	***7%***
Dairy Processing	342	54	6.3	297	55	5.4	108	25	4.3	***-68%***
Equine & Racing	128	98	1.3	176	136	1.3	169	115	1.5	***32%***
Kiwifruit & avocado	5	4	1.3	14	4	3.5	7	3	2.3	***40%***
Meat Processing	2,263	58	39.0	1,492	59	25.3	1,235	50	24.7	***-45%***
No IPG	1,429	293	4.9	1,506	299	5.0	1,151	293	3.9	***-19%***
Nursery Production	101	51	2.0	151	51	3.0	131	67	2.0	***30%***
Pip fruit	114	65	1.8	142	57	2.5	117	68	1.7	***3%***
Seafood	684	51	13.4	895	64	14.0	497	41	12.1	***-27%***
Sheep, Beef & Deer Farming	177	131	1.4	195	141	1.4	170	120	1.4	***-4%***
Sports Turf	100	71	1.4	148	99	1.5	140	93	1.5	***40%***
Vegetables & Other Fruit Production	49	26	1.9	29	17	1.7	35	15	2.3	***-29%***
Viticulture	42	28	1.5	66	31	2.1	50	30	1.7	***19%***
Wools				2	1	2.0	4	1	4.0	
TOTALS	**7,076**	**2,022**		**6,932**	**2,242**		**5,413**	**1,986**		***-24%***

Source: Primary ITO – unpublished data November 2025.

^Data for 2025 is year to date, but is unlikely to change significantly given this late

Regardless, the overall decline does create a vicious cycle for WBLs. They need staff to recruit learners and carry out training, but with volume-based funding declining, they make the rational decisions as businesses to scale back on their workforce and compromise their ability to seek out new business and to deliver to existing clients.

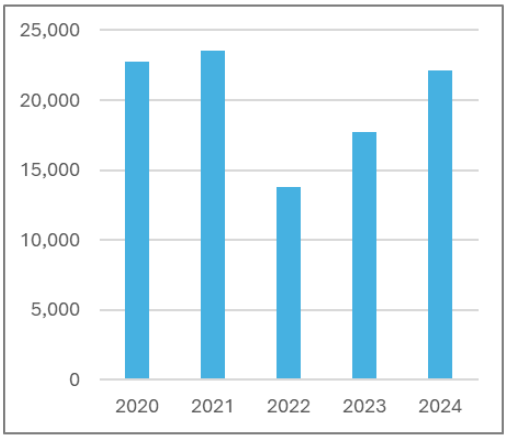
The VET sector needs a circuit breaker to fully reconsider the current models of provision for each industry and how learners and employers are engaged. This current change to WBL provides that opportunity but requires industry engagement to ensure that provision is aligned with needs, that there is not unhelpful competition, for example with extension services, and that the industry gets behind demand generation activities for provision that is considered to be essential for the sector.

6.3 Participation in non-formal and informal learning

The majority of the sector builds capability through non-formal and informal learning. This category covers a broad range of offerings and is near impossible to quantify. Instead, a selection of case studies is provided below to illustrate the scope and breadth of participation as well as the different levels of formality achieved outside the education system.

Extension: Can be quite formal based on a workshop or a field day, with set learning outcomes and perhaps even a certificate issued. It can also be less formal and based on facilitated discussion related to seasonal management issues, or the topic of the day.

Trends in DairyNZ extension event participation (Occurrences only.)



Source: DairyNZ People Scorecard 2025 (Unpublished)

Participation is hard to gauge, due to the wide range of providers and events in the category. One industry where we do have some insight is dairy where the industry body (DairyNZ) which runs extension events. They reported around 22,000 ‘attendances’ at events; these are not unique individuals. Assuming the average DairyNZ user attended 2 events, this suggests 11,000 or roughly 20% of the dairy workforce are engaged through extension. There is likely to be high cross over with those involved in formal training.

It is unclear if other industries have similar dynamics, however, 20% engagement provides a significant platform from which to broker people to help them meet needs.

Grow Safe: A brand of the NZ Agrichemical Education Trust formed in 1992 to promote the safe, responsible and effective use of agrichemicals, largely through the issue of Grow Safe certificates which teach and certify safe chemical handling practice for all levels of learner. This product is based on industry agreed and upheld standards with verifiable assessment. It could fit the NZQA framework, but qualification status was seen as a hindrance to delivering practical training. It is a user pays scheme with demand generated by meeting grower needs under quality assurance and health and safety business requirements. In 2023/24, there were 5,092[6] certificates issued. (NZAET Annual Report 2023-24).

Nutrient Management Advisor Certification Programme: NMACP is a professional certification offering assurance to customers of advisors including farmers, growers and regulators that nutrient advisors are properly trained and delivering fit for purpose advice. This is supported by an industry technical advisory group that sets standards, professional development requirements, and audits advisor reports. It currently has 216 certified advisors[7].

Farm 4 Life: This online programme, built by Tangaroa Walker offers video-based learning with self-assessment for farm assistants and herd managers in the dairy industry. This potentially covers the same material as the formal system, but is delivered in a different way, with the aim of entertaining as well as teaching. Farm 4 Life has also worked with SIT in the past to offer a Level 3 NZ Certificate in Agriculture based off learning provided by the hub. Usership of the hub is commercially sensitive, but Farm for Life builds off Tangaroa's social media following which includes 247,000 followers on his Farm4 Life Facebook page.

AWDT Escalator/ Kellogg /Nuffield/ Mayfield: These extensive programmes of learning in leadership and governance reach a combined total of around 150 participants. They rely on the quality of the programme and the success of their alumni to advocate for the value of the programmes. This creates an understanding in the community, encouraging others to participate.

Self-directed learning: The explosion of content on the internet in the last decade, especially video content, coupled with lower cost and wider reach mobile networks, has enabled learners to develop practical skills as needed.

[6] Source: NZAET Annual Report 2023-24

[7] Source: NMACP Annual Highlights 2024/25

This is a valuable resource and can yield very useful outcomes but does pose risks in that the content is not curated and at times can illustrate poor and unsafe practices.

There are some excellent non-formal programmes and capability development options outside formal learning. Critics suggest there are weaknesses in relying on non-formal learning as product offers can be highly inconsistent, even for what is perceived as 'the same' product. Grow Safe illustrates that agreed industry standards can overcome this inconsistency if industry is aligned.

This points to a strategy for industry – recognising non-formal learning by qualifying programmes against industry set standards, in some cases these could be skill standards set by the ISB. This is perhaps more feasible with practical skills that can be reasonably easily measured and recognised, by badging for example. It is, however, questionable if such a strong standard could be established and enforced in a subject where there were not regulatory pressures operating.

7 Funding

This project does not intend to make any representations on funding and what is required to run a sustainable business. The Food and Fibre CE's group in conjunction with Muka Tangata have been making such representation to the Minister and the TEC regarding the need to strategically invest in nationally important industries.

The following information is presented to help the reader understand the influence of the funding system.

7.1 Who invests and why?

The investors in the capability development system are outlined below.

Table 12: Investors in the food and fibre capability development system and their motivation

Investor	Motivation
Learner	For perceived future benefit of access to skills, e.g. employment.
Government	To develop skills for future of economy, as well as to enhance employment mobility, social cohesion and community wellbeing. More people in higher paying jobs also contribute taxes that support government spending. To achieve other objectives, e.g. sustainable farming.
Business Owner (Employer)	Improve business performance through gaining new capabilities, retain and grow their staff.
Education Provider	Providers invest in their own businesses to deliver better services for their customers and to meet commercial purposes.
Industry Bodies	Collate insights to provide feedback to the system as a representative of the business owner. May also invest as a provider and as a catalyst for innovation in the system. More active in the non-formal system.
Other	Donors, including agribusiness and philanthropic organisations invest seed funding to innovate in the system and often extend this into ongoing operation funding. More active in the non-formal system.

The government receives a lot of attention in the system as industry attempts to defray the cost of learning in their businesses. There is good reason for a shared cost structure given where the benefits accrue. Average job tenure means that employers are challenged to get a return on their investment, but the longer-term benefit of increased capability has an overall positive impact on the economy and for the learner.

However, this focus on government funding seems to have locked the sector into a mode of operation or thinking that preferences a system which may not supply the best

training to meet the goals of employers and learners. A more diverse approach that includes pathways traverse non-formal and informal approaches may be beneficial.

Industry bodies, donors and users are the other main funders. There is an argument to be made that these parties should co-invest in intentional collaboration to optimise investment and enhance outcomes across the board by investing in strategic enablement rather than getting locked into ongoing operational funding.

7.2 Overall volume of funding

The food and fibre sector, together with Government invest between $100 and $130 million annually in capability development, split approximately 50/50 between formal education and non-formal.

Ensuring the spend in the formal education system is directed in the right areas and delivers on industry objectives represents a significant opportunity for industry. Equally, better integration non-formal and formal is an opportunity to enhance efficiency and effectiveness for both

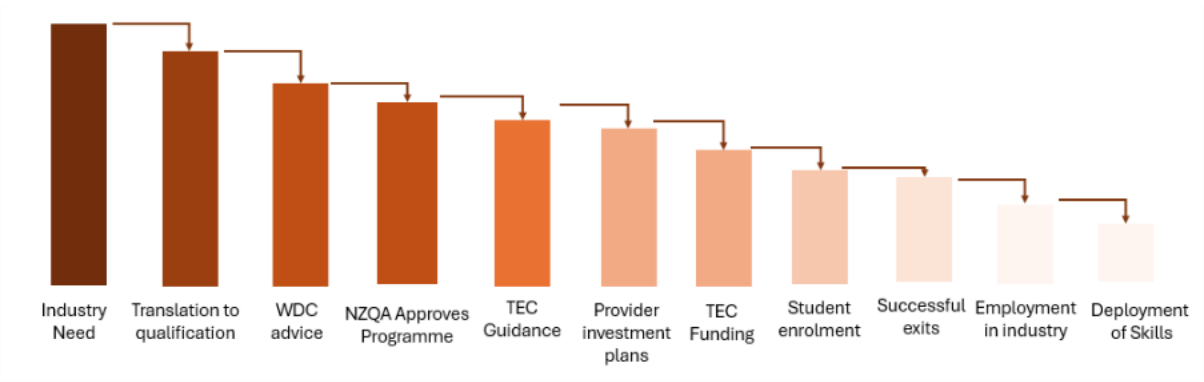
Table 13: Estimates of investment in capability building

Non-formal and Informal Education Estimated between $44-65M	**Formal Education** Estimated between $54-66M
Industry Bodies: $30-40M Services to improve business performance of members, including development and extension activity. **Other Industry: $10-20M** Processors and 'For Purpose' organisations such as NZYF, Rural Leaders or AWDT support capability development to a greater or lesser extent in their operations. **Other Government: $4-5M** Agencies such as MSD, ACC, MfE Catchment Groups, MPI On-Farm Support, Te Uru Kahika (Regional Councils) have rurally focussed budgets, collectively estimated at 20-$25M per year with an assumed 20% contributing to capability building initiatives.	**TEC: $50-55M** • Work Based Learning Subsidiaries: $18-22M • Private Training Establishments: $10-12M • Polytechnics: $12-14M • Wananga & Universities $1.5-3M • Learner fees: $8-10M (Estimated at 20% of TEC funding) **MoE: $4-5M including:** • Ag/Hort in secondary school $4-5 M

7.3 Formal funding

The VET value chain is a sequence of steps from identification of need through to deployment of skills in an industry (See Figure 7). Funding is part of that value chain and is dependent on a number or prior approval steps including quality approvals from NZQA and advice from WDC's (ISBs in the future) as to industry need, although this advice is not binding.

Figure 7: The VET value chain



Funding rates are based on EFTS – an Equivalent Full Time Student. This measure is 120 credits and considered a full programme of study for provider-based learning. A full-time programme for a work-based learner is considered to be 70 credits. Programme funding is pro-rated based on its credit value. Rates vary by subject area, objective and by TEO type. Table 14, below demonstrates that agriculture and horticulture are recognised as a higher cost delivery environment. It also shows that programmes providing pathways to work are relatively more valuable to government, and they believe it costs more to deliver provider-based training than it does work based

Table 14: EFTs delivery component funding rates for 2026 for selected categories

	Provider based	Provider based: extramural	Work-based assessment & verification	Work based: pathway to work
#22: Trades (F2)	10,992	10,992	7,277	9,732
#01: Agriculture and Horticulture (F3)	12,375	10,992	7,945	10,693
#01: Agriculture and Horticulture (F3) (leading to quals at Level 5 or above)	19,753	19,753	11,610	16,499

In addition to the delivery component, which will make up the majority of TEC funding for most providers, other funding components include:

- Learner Component to fund equity and success incentives for disadvantaged learners. Rates for 2026 are set at $152 per Māori or pacific learner at levels 1-6 and $1,327 for learners with low prior achievement or disabled learners.
- Strategic Component to fund innovation and regional priorities. This has been reduced to $20 million in 2026 and is only available to ITPs.

Cross-subsidisation is a design feature of the system

While the system funds TEOs based on volume ('bums on seats') it does allows for flexibility in application of funding. This flexibility is required because forecasting of demand from learners is an inexact science. As a result, surplus EFTs get shuffled between programmes and across subject areas.

The commercial incentive for providers is to shift those EFTs to the most profitable programmes. However, ITPs and ITOs have industry and regional mandates that mean EFTs and profits can be moved to industries, or programmes, that are 'important' but not commercially viable. It's argued that this is partly to blame for lack viability in the system, with ITPs and ITOs spreading resources too thinly.

Cross subsidisation is a design feature of the education system that makes it possible to deliver to important low volume, non-viable programmes. The Primary ITO estimates that only six out to the 24 industry groupings in their current portfolio would be financially viable in a stand-alone model.

Funding drives behaviour

The differences in funding are sufficient to drive significant efforts to optimise programmes for funding and to work around the edges of the rules. The Primary ITO and Competenz, as WBL providers, have historically been locked out of provider rates which are available to ITPs and PTEs. Different arrangements involving industry, PTEs, and ITOs working with ITPs have been investigated over time to try and increase the funding available for delivery. In some cases, they have worked, but in other cases ageing on how income will be split and who does what for their share has meant the projects have not got over the line.

PTEs that are able to access provider-based rates and who have low overhead costs (e.g. as a result of low investment in delivery sites) are likely to be able to drive the biggest margins from the funding system as it's currently set up

7.3.1 Targeting of investment

Based on funding rates above and the EFT allocation to VET volumes as outlined previously, there is approximately $44.5 million applied to the sector annually. Working with the previous assumption that only 20% of investment in provider-based learning will result in sector outcomes, added to WBL, it is estimated that 50% of investment will not impact the sector. If the assumption is moved to 50% of PBL contributing to sector outcomes then $14 million will not impact the sector, which is 84% of the total allocated to WBL.

Table 15: Targeting of TEC investment at sector outcomes

	EFTS	Proportion applied in workplace	Funding at Ag/Hort Rate ($/EFT)	Direct Sector Outcomes	Other Outcomes
Work Based	2,100	100%	7,945	16,684,500	0
Provider Based (Scenario 1)	2,250	**20%**	12,375	5,568,750	22,275,000
			TOTAL – Scenario 1	**22,253,250**	**22,275,000**
Provider Based (Scenario 2)	2,250	**50%**	12,375	13,921,875	13,921,875
			TOTAL – Scenario 2	**30,606,375**	**13,921,875**

Under current conditions there is little or no evidence of workplaces or learners missing out on learning due to EFTS being allocated to these other programmes. Even if this was the case there is no mechanism to reallocate this funding.

Informally, feedback suggests that funding for programmes in the food and fibre sector is available and will be made available if it appears in provider investment plans, provided it works at current funding rates, and fits within funding pools that may already be oversubscribed. This is not a new situation, TEC have often said there is funding available for the food and fibre sector, the catch has always been growing demand to capture that opportunity.

8 Assets transitioning from WBLs

As outlined the WBL's will cease to exist at the end of 2027, with the learners enrolled transferred to another TEO. The commentary provided is based on limited information supplied by the Primary ITO, with Forestry working through its own process with Competenz.

8.1 Learners and employers

A sense of the number of learners and employers to be transitioned from the Primary ITO and is approximately 5,400 as described in Table 11, with a further r3,800 to be transitioned from Competenz.

8.1.1 Delivery models supporting learners

The Primary ITO operates two fundamentally different *organisational* models for workplace delivery as well as providing secondary tertiary interface programmes as Trade Academies and Gateways.

Regional /Local Model: Operating in the agriculture and horticulture industries this model uses a network of Training Advisors to recruit employers and learners in specific locations, plan the training programmes and then mentor the employer and learner over the course of the programme. The Training Adviser also acts as the independent assessor in many cases. These learners are aggregated into cohorts for off-job components. The model is most suited to small to medium size enterprises. It is a relatively 'high-touch' and therefore high-cost model, interfacing directly with the learner and employer. The Training Advisors are directly supported by Regional Coordinators.

National/ Corporate Model: Mostly focussed on the food processing and primary services industries, the national model works with larger employers to structure programmes to meet the needs of the business and support the business to deliver to their own staff.

National arrangements are run by Sector Managers and are more 'arms-length', with training arranged and delivered through an intermediary, which could be the employer or a third-party roving assessor. There is no direct interface with the learner. The Primary ITO registers and trains assessors in the workplaces and moderates the assessments carried out. Funding is provided to the business to manage pastoral care and learner progression under an agreement monitored by the Primary ITO.

These two broad models are implemented across the portfolio, as described in the examples in Table 16.

Table 16: Examples of Primary ITO Workplace Training Models (October 2025)

Example	Credit value	Enrolments Primary ITO Training Adviser	Approx Training Adviser portfolio*	Workplace trainers	Workplace Assessors (with 4098)	Workplace verifiers	Off job training days	Independent trainer/ assessor	Registered provider	Final Assessment by Primary ITO Training adviser	Provider/ Service/ Payments	Trainee Fees	Completion rates	Commentary
NZ Certificate in Meat Processing (Level 3)	40	Through company	500	Yes	Yes	Yes	No	Sometimes	Sometimes	No	Paid to company or roving assessor	None	High	The training needs of the meat processing industry are met by pure on job training. The industry has clear processes to ensure quality of outcomes aligning to SOPs Training occurs on job but may be undertaken by a workplace or independent trainer. The model is a light touch model from an ITO's perspective but requires tight oversite to ensure companies and trainees receive required support.
NZ Certificate in Agriculture (Level 3)	125	Primary ITO Training Adviser	60	Yes- employers	No	Yes	Yes	No	Sometimes	Yes	Off-job provider payments	Collected from trainee/ employer	Average	This is a high touch model whereby training advisers are responsible for face-to-face enrolments, ongoing support and the final assessment sign off. Trainees are expected to attend off job training days, and their employers are expected to act as trainers in the workplace. Employers are not assessors but must verify competencies.
NZ Certificate in Seafood Processing (Level 3)	50	Through company	500	Yes	Yes	Yes	Sometimes	Sometimes	Sometimes	No	Paid to company or roving assessor	None	High	A low touch model but mixed. Training occurs on job but may be undertaken by a workplace or independent trainer. Enrolment is the responsibility of the company The model requires tight oversite to ensure companies and trainees receive required support to achieve expected outcomes.
NZ Certificate in Horticulture (Level 3)	55-90	Primary ITO Training Adviser	50	Yes- employers	Yes	Yes	Yes	Sometimes	Sometimes	Yes	Off-job provider payments	Collected from trainee/ employer	Average	This is a high touch model whereby training advisers are responsible for face-to-face enrolments, on-going support and the final assessment sign off. Trainees are expected to attend off job training days, and their employers are expected to act as trainers in the workplace. Employers are sometimes also assessors
NZ Certificate in Sport Turf (Level 3)	55-90	Primary ITO Training Adviser	50	No	Yes	No	Yes – block course in winter 5 days Online	No	Yes	No	Off-job provider payments	Collected from trainee/ employer	Average	Sports turf have a very close relationship with the provider. Primary sector manager ensures quality of delivery and trainee progression. 50/50 split of theory and practical over apprenticeship level 3 and 4.

* All Training Advisers have more than one programme in their portfolio. As a rule of thumb each training adviser in the low touch models have around 500 learners in their portfolio and 40-80 learners in the high touch model.

Trades Academy/ Gateway

The Trades Academy is a secondary-tertiary programme managed by Primary ITO staff. It provides senior secondary students with a broad range of learning opportunities across primary industries and the opportunity to complete an NCEA level 2 (or equivalent) qualification, or a programme leading to the NZ Certificate in Primary Industry Skills (Level 2). The programme aims to give students the practical skills and theoretical knowledge that will help them make informed choices about their career options in primary industries, gain transferable literacy and numeracy skills. In addition, they gain work-ready skills through practical training in realistic working environments. Students can also complete a Level 3 programme that may enable them to move into an apprenticeship in their chosen sector.

Similarly, Gateway courses provide opportunities for students to align to apprenticeships and further learning by completing vocational credits alongside their school qualifications. Where requested Primary ITO works with the school to help locate meaningful work placements to ensure students are obtaining real learning and employment experiences. Their learning is assessed against unit standards, with marking and reporting of results to NZQA completed by Primary ITO.

8.2 Tangible and intangible assets

The WBLs also possess a range of tangible and intangible assets that may be able to be reconfigured and useful to a future network. There is an argument to be made that much of the IP that sits with the WBLs was supplied by industry over time, prior to being gifted to Te Pūkenga in the transfer of the Primary ITO into a WBL subsidiary. Likewise, it much of the infrastructure utilised by the WBL was built off the back of industry investment alongside Government funding. Those assets include:

Table 17: Tangible and intangible assets held by WBLs

Tangible Assets:	Description
Primary Industry Trade Academies and Gateway Programmes	• Contracts for Primary ITO to provides the management of these programmes in schools for approximately 1,500 learners
Training contracts	• Pipeline of work for a new network.
Resources / associated IP	• Training materials and assessments to support all programmes offered by Primary ITO. Historic databases.

Trainee Management systems.	• Provides functionality for student management and online learning.
Industry CRM	• Employer and employee contacts.
Website	• Marketing platform
Financial systems	• Ability charge fees, collect fees and manage finances in accordance with regulation.
Office leases	• Existing sites across the country
Staff equipment	• Including vehicles (leased), laptops phones etc.
Cash reserves	• The Primary ITO does not have significant reserves, and it has been made clear that any reserves they do have will be returned to TEC.
Intangible Assets	**Description**
Established relationships throughout the country.	• The network of Training Advisors has a set of relationships that enables the Primary ITO to recruit learners and employers.
A Provider Network	• A group of PTEs, assessors and other providers that support delivery of WBL under current arrangements.
Brands	• There are mixed views on the value of this, especially with respect to engaging senior staff in capability building.
Competencies in:	
• Arranging training / sales	Working with employers to: • develop programmes that meet their needs. • sign up employees into work-based learning. • operate industry training in their workplace, including the registration of workplace assessors • Facilitating off-job training with quality provider
• Pastoral Care	• Working with learners in a way to make sure they progress through and achieve the outcomes of their training
• Educational design	• Programme development, learning design, resource development, assessment, quality assurance, online learning
• Navigating TEC and NZQA requirements.	• Staff have the knowledge required to navigate the rules and requirements of funders and regulators.

9 Perceptions of capability building in food and fibre sector

A series of 24 interviews with a range of stakeholders was undertaken in October 2025 to gain a wider perspective on the capability development system in the food and fibre sector. This included employers, industry bodies, professional bodies and providers both in the formal and informal systems. The focus of the interviews was to understand current state and opportunities seen by stakeholders for the future. It does not delve into options for WBL but does provide a sense of the issues and opportunities any future network of provision needs to account for. The following section provides an outline of those perspectives.

9.1 The system needs improvement

Progression in the business or industry has been a strength of the food and fibre sector over time, supported by industry training in the form of cadetships, apprenticeships or just 'ITO papers' in the initial stages of someone's career. As industry participant progress through the ranks this has been backed up by other networks, such as industry extension services and rural professionals, that provide support to the operator implementing what has been learned and pushing beyond this to grow the business.

> *'The sector's ability to help individuals reinvent themselves, especially those who struggled in traditional education is outstanding. - For purpose provider.*

The evolution of industries and employment structures, as well as shocks to the system like covid, mean the system that worked for many years is not hitting the mark like it used to. Current stakeholder assessment of the capability building system is mixed, with a strong lean towards a 'needs improvement' grade, although some stakeholders are blunter:

> *"Well, at this very point in time, I think it's in the it's in the ICU ward" - Farmer*

This frustration is evident at all levels, from a perceived lack of pathways through and out of school, concerns about the products and perceived quality of VET and a frustration with disconnects and duplication up and down the value chain and across sector.

At a more grass roots level, employers report a lack of confidence in training, noting that graduates are often 'not up to the standard they would expect'. Reasons provided for this include:

- A hard time understanding what the qualifications mean.
- A lack of trust in the quality of product and the value created.
- Lack of engagement with the system.
- Variable programmes leading to the same qualification.
- Fragmentation makes it difficult to navigate.

- Find the jargon and 'admin' required hard to work with

Stakeholders did acknowledge that there are providers of all types and at all levels who are passionate about growing capability for the sector - some of them so passionate they have started a new business to deliver a programme to what they see as an underserved niche! The involvement of the Wānanga and a diverse provider group is also seen to be:

> *'As a systemic strength 'enabling culturally anchored and context-rich delivery required by our diverse sector' (Formal Provider)*

This 'market based' approach to capability building is understandable, and the only logical approach under current settings, with providers filling niches where they believe they can compete. However, this does result in a highly fragmented system with no one holding a wider view of the system strengths and the gaps that exist and need to be filled. This is partially done by Muka Tangata for VET but is a gap in the system itself.

On the more positive side there is some sentiment that the current system has the elements in place to succeed, but:

> *'It's been the execution that's gone wrong, not the concept.' – Industry body*

Reforms are rearranging the deck chairs

This latest round of reforms in the formal education sector is not seen to be creating anything significantly different that will lead to a step change in industry performance. It is seen as a means to prop up failing institutions and in the meantime creating collateral damage in WBL. It would seem to be a case of the existing system trying to perpetuate itself based, as one stakeholder put it:

> *'A legacy attachment to government-funded models' (Industry trainer)*

This reliance on the formal system is seen to be stopping the industry from moving forward. There are other capability building approaches that could be taken if industry was prepared to invest and wean itself off government funding.

Important we get it right

The food and fibre sector is important to the country. Forgetting the hackneyed 'double export' goal, it is a major economic player, and its success is critical to the country's success. Ultimately, capability underpins business performance and capability requires consistent upgrading as the business environment changes.

The food and fibre sector is also still an attractive career option for many New Zealanders, and we are seeing strong demand pipelines from schools in some areas, with one PTE in the sheep and beef industry reporting:

> *'We could have filled our programme twice over' (PTE)*

This continued interest in the sector, combined with solid business performance is required to maintain and build confidence in the sector long-term. This is seen as critical to resolving a prescient problem for an aging ownership cohort:

> *'Our owners want us to be thinking about who will buy their business, and what we can do to help make sure someone is lining up' (Industry cooperative)*

This is a watershed moment for WBL and VET

If WBL does not emerge from these reforms fitter and stronger, or at least with a plan to develop a more integrated and sustainable approach to capability development, there is a real risk that employers will continue to exit the VET system and train staff on their own with no reference to the formal system:

> *'If we don't have [national coordination] … employers will walk away from the formal system.' - Industry body*

This is likely to work in the short term, but a lack of cohesive standards, recognised externally is likely to mean low skill transferability and wasted resources in developing and running training for staff. For staff, it removes any recognition of skills that might enable mobility and reduces any tie that training may have created.

But… VET is not the only game in town

Formal qualifications are seen as irrelevant by some employers:

> *'They are too academic, too long and too costly' - Farmer*

Industry has pushed down this path to access Govt funding for education and minimise cost for something that can be a hard sell, accepting the downsides along the way. Employers are now less willing to accept these downsides. Options mentioned as alternatives included:

- Short user pays courses
- Online learning, supported and customised, using AI
- Industry workshops
- Badging

All of these options can be done within a quality system, with standards and moderation by a third party to meet the consistency expectations of the sector but they do not carry the cost and administrative burden of the current system.

The new vocational pathway in senior secondary school was also identified as a disruptor for provision. The implication is that the sector should take this opportunity to consider what the future of capability building might look like and develop a network of provision round this, rather than use the current system as the basis to build from.

9.2 Stronger together?

After years of consolidation in the ITO sector, the food and fibre sector was served by Competenz, which looked after forestry and the Primary ITO which took responsibility for the balance of the food and fibre sector. These sometimes-forced amalgamations of smaller ITOs into larger entities did result in some unnatural alliances and frictions that have not necessarily been resolved.

Some industries see the current reforms as a pathway back to industry specific provision as they are not satisfied the larger entity is meeting their needs. This is despite a belief that we are better off working together.

Why it's important

The common view was that we are better off to work collectively for a number of reasons:

- We share a workforce to a greater or lesser extent
- The skills needed across the sector are similar
- We share common challenges, e.g. remote workforces employed in small businesses
- Business ownership crosses industry boundaries.

The collective approach embodied in the Primary ITO has value and should not be discounted without considering benefits such as:

- Influence in the system
- Consistency/Efficiency/Effectiveness
- Access to learning

Influence

Industry will need to maintain stewardship of the system in the long term and be consistent in its approach at both a system level, working with ministers and officials, and at a political level to ensure that our sector's voice is heard.

For the purpose of influence, there is a strong feeling that:

> *'If we're working together collectively… it becomes difficult for the government of the day to ignore.' (Farmer)*

The increased interest of the CEs Group in these matters is a positive sign that industry is reengaging in the topic. However, it is critical that they recognize the ongoing requirement, the long-term imperative, and don't step back again when this crisis is resolved.

This concern stems from the way the ISB, its scope and its responsibility to advise TEC has been severely curtailed in the implementation of these reforms, for example by significant reduction in funding to carry out this work.

On the other hand, there is an increased requirement for the ISB to have industry advisory groups, as set out in their Order in Council. These are likely to be an opportunity for the ISB to hear industry concerns and share these with TEC. They will be well-placed to play an advocacy role, which can only be strengthened if industry provides a joint voice around shared concerns and needs. Unfortunately, membership at the governance table and how the inaugural board will choose to operate is still unclear. This is a risk that industry will need to work with the ISB to mitigate.

Working collectively for influence does not require all industries to be working under the same network of provision, but it does make it easier to get a more consolidated view of how the system is performing and the issues and opportunities that arise.

The need to engage across the sector and involve all participants in the conversation was highlighted so that the sector has impact and is heard. There is a desire to act more collectively for the benefit of the sector, but issues such as commercial interests, or simply the transaction costs of dealing with all parties make this difficult.

'It's not very often that we get everyone in the room.' - PTE

It is also unclear as to who has mandate.

Importance of Consistency

Stakeholders identified consistency is critical for employers to have confidence in the knowledge, skills and understanding graduates bring to their workplace.

'We all deliver the same stuff - or at least a version of it' (For Purpose Provider).

Likewise for the graduates, consistency enables their knowledge and skills to be transportable across the country and from employer to employer.

Adoption of that material relies on a common framework, and a common understanding of the knowledge, skills and competencies required in an industry. It therefore makes sense for cooperation across the system to ensure that the sectors build common understandings and consistency through communities of practice and standards for training.

Providers also suggested there is an opportunity for sharing/ licensing of programmes that enable groups to deliver to their 'niche' in the sector but ensures consistency as well as reducing duplication of cost in development. This would be likely to enhance efficiency and effectiveness leading to greater productivity.

Access to Learning

Over time the consolidation of the sector under the Primary ITO has provided access to learning for many industries that otherwise would not have had the volume of learners to access the system. This has been enabled through cross-subsidisation of learning, or at least subsidisation of overheads that would otherwise be required to access learning. This has strengthened both the ITO and provided benefits to a wide range of industries for NZ Inc.

This is a feature of the education system, and occurs widely, allowing providers to respond to regional or sectoral needs as appropriate. It is also thought to be part of the viability problem with too many low volume programmes.

This 'cross-subsidisation' is likely to be a contentious topic as the sector searches for a solution, and it will require some innovative approaches to accommodate all needs. However, there is a sense that unless the sector stays together access to learning will be lost for many.

The pressure is currently on providers for the current scope of provision to be wound back as ITPs and WBLs respond to expectations to cull 'unprofitable' programmes and achieve financial viability before transition into the "new" VET system on 1 January 2026. It is likely, therefore, that some sectors' access to publicly subsidised training will be reduced or eliminated.

How do we work together?

During the stakeholder interviews there was also a sense that industries have become too siloed, needing to demonstrate immediate value back to their members. Therefore, there is a risk willingness to cooperatively invest might be low:

> '*It's going to be hard to overcome industry self-interest and there are going to be some losers.' (Industry Trainer)*

Understanding the barriers to a more collaborative approach and being able to mitigate the risks posed by them will be important in network design. During the interviews, respondents identified the following issues, both in the VET system and more widely:

- **Organisational resources:** Small levy bodies or provider businesses have limited resource to collaborate, i.e. invest in the time and cost of attending meetings and building relationships.
- **Accountability to levy constituency**: Levy payers want to see work in their industry and don't want to feel they are subsidising others.
- **Identity:** Collaborative entities often take on their own identities, e.g. Growing NZ which led attraction efforts for the sector. Members can find it hard for their brand to be seen within the collaboration, which is understandably a challenge, when they need their constituencies to value what they are doing.

- **A lack of trust**: In particular between commercial providers and 'industry good' organisations that want to minimise cost to levy payers.
- **Inability to measure outcomes**: Therefore, making it difficult to justify investment in collaboration as industries feel they may as well go it alone.
- **Determining a fair share**: Inability to agree a 'fair share' to fund work, and perceived 'freeloading' from industries that don't contribute.
- **Competition:** Providers and industry are in a competition for attention that drives participation and revenue either as TEC funding, customer spend or a levy vote at a later date.
- **Timing:** The obvious example is the lack of alignment between the academic year and its semesters with the seasonal nature of food and fibre production and the financial year of organisations.
- **Threats to organisational autonomy:** In a collaborative setting organisations are tied to the direction of the group and may have less flexibility to respond.

9.3 Employers are critical

Several stakeholders raised the standard of people leadership in food and fibre businesses as an issue affecting the capability building system. Without such leadership, stakeholders feel that the system will continue to underperform, as will food and fibre businesses.

> *'Leadership and support for learning are lacking on farms.' - Advisory service provider*

However, employers are more than just staff managers in the system, they are critical to the system and often under- appreciated:

> *'Engaged employers are the foundation of successful VET - they make everything work.' - Industry observer*

In addition to being business leaders they play other roles, each of which is critical, including:

- Purchasers of training
- Tutors, mentors and coaches
- Subject matter experts
- Workforce planners
- Pastoral support

Purchaser of training

Employers co-invest in VET with the employee (learner). As an employer, they aim to benefit from improved people performance in their business, while the learner aims to increase their market value through their investment in training.

In practice, many employers report finding the system confusing and fragmented, with a lack of help available, unclear pathways, and questionable quality and/or consistency with providers offering different programmes. Their experience in achieving return on investment is variable depending on these factors and the retention of staff in the business.

> *'We have a lack of people capacity on the ground; misaligned language and complexity' - Industry body*

Multiple employers talked about the value of a navigator to help them work their way around the system and find what they need, for both them and their staff:

> *'We need key staff that have the knowledge of the sector and trust of the local employers… Industry relevant staff we need to keep.' - Hort Employer*

Employers also set value on training through recruitment and remuneration processes. One of the noticeable differences between food and fibre and other sectors, especially regulated trades where the pay structure is associated with achieving qualifications and 'getting your ticket'. In food and fibre having a qualification is good for getting a CV noticed but does not figure highly in employment decisions or setting the price for the job.

Tutors, mentors and coaches

The ability to teach, mentor and coach (different skills) a learner and create space for them to have a go, sometimes getting it wrong, and then sticking with them until they succeed is a special skill not held by all employers or within all businesses. Those that do have it deliver great results for their business, and their employees thrive. It was noted by providers:

> *'The employer is often not the trainer these days, and it's handed off to the 2IC [middle manager].' - PTE*

With this happening more and more frequently in the larger businesses, the need to ensure the delegated trainer has the required skill sets is critical. This is not common - the People and Capability Lead for one large corporate farm noted:

> *'We don't recruit managers for their training ability, and it's not in their job descriptions either' - Corporate farmer*

Another respondent noted:

'The 2IC is the bottle neck – frequently because of lack of development and insecurity in their role.' - For purpose provider

Subject Matter Experts

VET and other industry specific training is only valuable if the learner gains skills and knowledge that an employer is willing to pay for. Employers are often not sufficiently involved in defining training needs and too often programmes are not keeping up. One agribusiness reported:

'There's one lecturer [at a university] where I know if the employee has taken their paper, I'm going to need to spend 12 months undoing what they've been taught' - Agribusiness Manager

Employer expertise must be harnessed in defining the requisite knowledge and skill sets. This is challenging given that many employers find the training system confusing and cumbersome and as small businesses have limited availability.

Workforce planners

As workforce planners, employers make the decision to build or buy skills for their business, affecting demand for training. Stakeholders see that as the population ages and competition for staff intensifies, employers will need to be:

'Thinking five years down the track or longer about who will fill critical roles in their businesses' - Horticulturalist

They will also need help to identify programmes that can build the requisite skills and knowledge. The catalogue of options is extensive, and it can be hard to know what is useful and what's just expensive.

'We just need the system to be simple enough to support [employers] who invest in their people.' - Industry body

This also applies to self-employed workers and professionals and how they view their future and the skills they will need to be successful. Projects like NZARM's Capability Assessment Tool[8] help advisors to assess their competency and plan a development programme.

Supporting Employers

The simple message is that employers are the lifeblood of VET, and the system needs to engage with them better, for example to:

- Identify and support high-performing employer-trainers, broker high potential learners to them and structure apprenticeships with them to deliver an

[8] https://nzarm.org.nz/capability-building/capability-assessment-tool

enhanced level of quality outcomes. Positioned as a flagship such apprenticeships could lead a renewed appreciation of VET. This strategy requires cooperation across schools, providers, and other employers and industry.

- Work with employers through all channels to build confidence in the quality delivered by the system.
- Maintain/build a team of competent navigators for the system that can help employers with workforce planning and identification of training suited to the needs of their business regardless of where it comes from.

> *'Most of what we need is there – people don't know about it and therefore can't access it.' (For Purpose Provider)*

It was suggested an important role for industry bodies could be to support development of a *'centralised, transparent platform to reduce duplication and improve access'* such as that provided for leadership programmes through MyLead.co.nz. This can help make qualification standards more accessible so that if they chose to, employers could identify what a qualification signals.

- Invest in targeted 'scholarships' to build the skills required, for example with 2IC's to address system barriers. Industry bodies have attempted this in the past, but efforts have been poorly targeted.
- Overall, being a passive user of the VET system is increasingly untenable.

NOTE: Learner voice - The project has not actively sought out learner voice as they are the primary customers of the network of provision, as well as partners with providers in programme development, delivery and improvement and should be heavily involved and consulted there.

9.4 Funding

We have heard very clearly that funding is an ongoing issue, both in the VET sector and in the delivery of CPD. There are a number of solutions suggested to resolve this with the dominant ideas including:

- Lobby government for a change in funding rate for VET.
- Wait for a new minister or change of government.
- Levy the industry to co-fund training, which could include non-formal provision.
- Industry bodies make the choice to fill the gap as the existing levy body.

In the VET sector it's easy to point at funding rates and make the case these need to change; however, history suggests this will continue to be relatively unfruitful. Given current downward trends in participation, it is likely this would only be a short-term fix

and not resolve the underlying issues facing the sector. Interestingly, TEC funding rates for WBL have grown by 6.6% over the last 5 years compared to inflation at 4.6%.

This leaves the question of co-funding, probably through a levy, either direct as per the Education and Training Act or through existing levy bodies.

Could a levy fill the gap?

We have very clearly heard a call from the VET sector for industry to step up and support provision and we know that many CPD providers are also reliant on industry and philanthropic funding. Equally clearly, we heard from industry bodies and other funders that fund availability is under pressure, with higher priority issues taking precedence for investment. The likelihood of an additional levy being supported is very low.

It is noted that levies have been imposed in the past for highly targeted issues such as the containment and eradication of Mycoplasma bovis, where there is a very clear outcome with quantifiable benefit.

The current state of play is best explained in a 2024 PWC report[9] carried out on behalf of the Food and Fibre CoVE investigating industry views on implementing a levy to support VET. The report is summarised below:

- The primary advantage of a levy is the provision of stable funding and equitable cost sharing for workforce training programmes across the sector.
- On the negative side, a levy can be seen as tax on the sector rather than a benefit There was also concern expressed that a levy can lack transparency, and risk cross subsidisation which in turn raises fairness concerns. From an administrative point of view collecting a levy can be complex and expensive.
- Those canvassed by the project were also unsure that the current VET system delivers the quality of education needed, with too much focus on low-level provision. Reform in the VET sector was seen to be needed to support confidence to invest.
- It was seen as highly unlikely growers and farmers would vote for such a levy and equally unlikely that industry bodies would invest from existing levy take.
- Equally, an imposed levy by the Minister might generate resistance and could disincentivise employer participation.
- The door was left open for very targeted efforts with clear outcomes and value propositions.

These findings were echoed during stakeholder interviews. Industry was clear they shouldn't be seen as the solution to budget deficits and there were other factors at play that need to be resolved:

[9] Research on Industry Training Levies: Part 1, May 2025, PWC for Food and Fibre CoVE

'Assuming more money or a levy is the solution to these problems would be a mistake'. - Industry body

Other options

With both employers and levy bodies resistant to cost increases there is no obvious route to increase income. The system needs to acknowledge constraints and think differently about how we can make what we have work.

On the revenue side:

- Industry, employers and providers collaborate to increase demand and volume of learners to dilute fixed costs.
- Restructure learning to access different funding pools more suited to the objective of the learning.
- Develop user pays learning options to grow the market
- Address duplication and alignment issues between non-formal and formal learning delivery to optimise revenue streams.

On the cost side:

- Investigate shared services models for resources or systems, such as a shared learning and student management systems.
- Coinvest in content creation and programme development to avoid duplication.
- Coinvest in innovation with targeted and measurable outcomes to take cost out of the system, e.g., AI-based customisation of learning solutions.

Levy bodies made it clear that it will be difficult to direct cash to capability building outside existing commitments, but it was noted:

'[Industry bodies] have other things to offer, like convening power, communication channels, political influence, technical expertise and existing [and future] tools and resources. These have real value' - Industry body

Providers recognised these non-financial benefits however, they have struggled to access them as they often cannot work out how to, or who to engage within industry.

Industry bodies on the other hand are ill-equipped to deal with multiple providers. They require the capability building sector to make it easier to work across the sector. The transaction cost of working with every provider on their own is prohibitive, and the end result is often based on first in, first funded approach, rather than a sector wide strategic view.

Building a collaborative culture will not be easy but is definitely necessary.

9.5 Product

Individual products were not widely discussed with stakeholders, or rather stakeholders chose not to discuss products. The focus was more on factors that were seen to be driving the success or otherwise of capability building in the sector as listed. Each of these is outlined in more detail below:

- Customer focus
- Choosing the right product for the purpose
- Brand
- Programme consistency and cohesion
- Flexibility and speed
- Duplication
- Industry specificity

Customer focus

Learner and employer engagement in learning are critical foundations of capability development. However, stakeholders expressed concern that a lack of customer was leading to reduced support for training, providing examples including:

- Providers often forget they have two customers – employers and learners, with learners being the focal point. Learning also needs to consider the employer and how training delivers value to the business and fits into the needs of the business. Currently the system puts the delivery of qualifications, i.e. the delivery of widgets, ahead of employment and industry outcomes, which is what employers value.
- There are key audiences readily identified as requiring upskilling in the sector, such as the 2IC, but there is little evidence of providers actively adapting to meet that need.
- There is obvious misalignment between demand and supply, and between qualifications and real-world needs, with employers regularly reporting:

  > *'Courses too long and too costly with too much irrelevant content; shorter, sharper learning is needed.*

  Providers continue to offer long programmes, presumably to optimise funding, including access to student loans, that appear to be counter to this need.
- The qualification-driven system and provision is incentivised to focus on NZQCF levels and certificates. This results in outcomes and benefits, including competencies and capabilities gained, not being well understood or even a priority for employers.
- Rules are seen to prevent, or used as an excuse, to avoid product adaptation and flexibility. These and other constraints create mismatches between training and

workplace readiness. Qualifications should have some longevity but fit for purpose programmes should be adaptable and shift with the context of the industry and the needs of the customers.

- Qualification reviews are seldom initiated to respond to changing requirements of employers or industry, or to meet the developmental needs of learners. They are usually on a predetermined review cycle and when this does roll around the focus starts with NZQA requirements and not the customer.

In many respects the incentives in the systems drive these practices. Costs associated with delivery of training and customer care are the most variable and discretionary costs available to training organisations to manage viability. This creates a tension most commonly reflected when volumes fall - services to the customers (learners and employers) get tightened. Some examples: more delivery goes online, training site visits reduce, pastoral support is more "carefully" allocated, and face-to-face class time reduces.

This is less of an issue in the non-formal provision due to the flexibility available to providers. However, there are areas for concern as well, with extension for example highlighted as an area where it was getting harder to engage farmers with traditional offerings.

Choosing the right product for the required purpose

A 'lock in' by industry to VET provided Industry Training Organisations (ITOs) has resulted in narrow WBL based product that reflects the restrictions placed on the ITOs by their establishing legislation[10]. It's arguable that this is not always the most appropriate approach, with a largely "one-size fits all" product.

A good example is the difference between the more 'task learning' approach for skills delivery dominant at Level 3 and a more 'knowledge-led learning' approach required at Level 4 and above:

- At Level 3 the learning is about relevant skill tasks on a daily basis, which the employer 'tutor' is well-placed to drive. Demonstrating competence can be achieved in the workplace.
- That changes as soon as the learning becomes more knowledge driven at Level 4, for example the move into managing systems. At this point the learning becomes more conceptual and suited to classroom-based approaches like simulation and case studies integrated with real world experiences. This

[10] The ITO as a provider model ceased to exist and became work-based learning business divisions within the Te Pūkenga model. Industry training as a delivery model has continued under Te Pūkenga and became known as work-based learning (WBL). Changes to the provider model for delivery of WBL networks of provision will occur when the WBL business divisions leave Te Pūkenga on 1 January 2026.

approach potentially provides a richer learning experience but is not workable inside the work-based learning model.

A future network of provision should look to better match product, (delivery approach and programme content) and purpose. This should also consider integrating non-formal learning products into the delivery approach where it would add value and real-world experience.

Once again, industry expectation for government subsidisation of learning (coming with its regulatory and funding processes) may be leading to sub-optimal learning experiences for learners and employers and discouraging participation.

Brand

Closely related to product is brand. In VET the Primary ITO brand is restrictive and has struggled to resonate with employers since its inception:

'It's somewhere you send your staff.' - Farmer

In a network of provision, establishing a brand that reflects the benefit of an industry-led approach may be a major step towards a more co-ordinated and coherent capability system. If the sector is to work more closely with formal education a brand refresh will send a "positive intent" signal for industry managers and business leaders.

Programme consistency and system coherence

Programme inconsistency stems from standard setting practices and slow, inflexible change processes. The standard setting process has swung over time from highly prescribed unit standards which were too rigid, to graduate profiles that enable wide interpretation by the provider, resulting in highly variable programmes. A middle ground is required, and this promises to be skills standards, which Muka Tangata are starting to develop more extensively.

As it sits, unless a qualification requires the use of skill standards or unit standards the provider is free to design and deliver their own programme to meet the graduate profile outcomes, which can result in very different approaches. This creates consistency issues that frustrate employers, with one reporting

'There are three providers offering the same qualification in my area, but the learning is vastly different… I can't trust what is in the qual.' (Farmer)

There was also concern raised that inconsistency arises form a lack of appropriate regulatory oversight right from the programme development and approval system to funding approval processes. Industry consultation and endorsement is a requirement for NZQA and TEC approvals but is an easily manipulated measure with the definition of industry being quite vague. For example:

- Muka Tangata, the agency with the responsibility for improving consistency, estimate they have only been able to provide input to about 50% of VET programme approvals.
- A new provider has entered the dairy sector with a new programme, which presumably required approval without the knowledge of either the Muka Tangata or the relevant industry body.

The need to separate programme approval and quality assurance from provision has been highlighted a number of times as a means to improve consistency and absolutely necessary to raise confidence in the sector.

Flexibility and speed

Flexibility and speed of response are not seen as a hallmark of the education system, with rules and regulations requiring extensive administrative attention. The strong perception is that changes to products unnecessarily take too long - the proxy example being a simple Type 2 programme change. Even a reasonably straightforward micro credential taking around 6 months to get over the line. The business and capability opportunity can have passed by the time any scale in delivery is achieved. More importantly, this drives employer and industry frustration and a lack of respect for education's sense of purpose and capability in providing solutions.

Conversely, in the formal CPD space the VET system was seen as relatively flexible and delivering good value for money – but that was when compared to the university system. This was due to the ability to use and recombine existing standards to cut down on time to market and the ability to deliver in the business (on job) rather than having to take time out of work and travel to an education provider e.g., Lincoln or Massey Universities.

VET could push into higher level/value delivery potentially. This may be an opportunity for industry to use the potential of the education system to meet its needs, while benefitting from shared development costs instead of duplicating, – but it will require be delivery by the right entity with the right level of flexibility and speed of response.

Duplication

There appears to be too much duplication of product and associated resources across the sector causing confusion, inconsistencies, and waste, both in terms of dollars and time. This applies through education delivery but also in professional development. In particular, industry bodies were called out by VET and Continuing Professional Development (CPD) providers for:

> '*Replicating programmes for 'free'.' – For Purpose Provider*

Competition between CPD providers has been seen to be manageable if organisations stick to their niches the market operates relatively smoothly. However, when there are

multiple sources of demand for a particular capability across the sector duplication often results.

Consider freshwater farm planning, which has seen materials and process developed often quite separately by industry bodies, processors, Regional Councils, MPI, MfE, and rural professional bodies. There could be upwards of 20 variations on the same theme causing confusion, inconsistencies and duplicating cost.

The system does need some overlap, providing options for the workforce is important – people engage with new ideas in different ways and a classroom, actual or virtual, does not suit everyone.

Reducing duplication represents a significant opportunity for saving and for increasing consistency in messaging. However, there is a lack of pathways and staircasing between programmes so that participants can develop their understanding in more depth. The education system's standard setting body (ISB) is ideally placed to enable this. By interrogating programmes to better understand and catalogue learner outcomes the ISB can help build understanding of the links between programmes, both formal and informal.

Unfortunately, such a task no longer appears to be within the scope and resources of the new ISB as the government withdraws investment from the public good.

Other suggested ways of dealing with duplication included building communities of practice to share development responsibility and cost, and to enable programme licensing to increase reach, with specialists delivering to their own niche.

Industry specificity

Industry specific qualifications/ provision is described as a double-edged sword, with the customer preferring quite specific qualifications while the educators are happy with a more generic approach. Reasons discussed included:

On the positive side:

- Industry specific qualifications reflect the practicalities of 'my industry' and are possibly more engaging for both the learner and the employer/trainer.
- They seem more relevant and immediately applicable.
- Industry specificity may be a reason for industry to invest in product in the future.

On the negative side

- Require learners to reinvest and often cover the same content.
- They increase disconnects between industries
- They complicate delivery, requiring different programmes, assessments and tutors be developed.
- They decrease understanding of transferable skills between industries,

- Compromise the opportunity for sharing of resources and programme components.
- Lose opportunities to enhance efficiency and reduce cost and is one of the reasons for duplication.

The balance of specificity should be a live question in all qualification discussions but is complicated by vested interests. It may be a reason for industry to invest in bespoke education product for its capability development in the future, with the public good investment limited to transferable and generic education product for cross sector related capability development.

9.6 The Innovation system

At a system level the government agencies have made contributions such as learner success processes (TEC) or standard setting innovations like micro credentials and skills standards (NZQA). Ako Aotearoa has also played a key role in funding and supporting education capability improvement in tertiary education. Muka Tangata and the Food and Fibre Centre of Vocational Excellence have also supported innovation and left behind a significant library of resources.

Levy funded industry bodies have complemented the education system indirectly through their research and development into production, harvesting and processing practices which education providers use as the basis for programme and content tweaks.

Unfortunately, the ability of providers to invest in long term innovation long term is significantly constrained by profitability. This leads to things like slow cycle times on programme improvement and low-level use of technology. To achieve improvements in impact, investment in research and development is essential. For example, individually tailored AI learning and assessment tools have the potential to revolutionise provision, enhance reach and improve outcomes.

Industry bodies, government and philanthropic organisations do get behind some projects but inevitably fund operations or a pilot programme that cannot be scaled due to the education system settings and ponderous change processes.

Government in its latest reform iteration has stopped funding in the education system for both provider capability and sector related innovation and improvement. They state a lack of implementation and uptake from providers as a primary cause, but the message appears to be that this is not a public good responsibility.

Whether intended or not this is a direct challenge to how industry can access capability development in pre-employment and training for its workforces.

9.7 Pathways

The sector is widely concerned by the pipeline of talent that is available to fuel future success and to equip people to be successors for existing business owners. Stakeholders want to see pathways available from school through to employment and business ownership.

There are aspects of the current pathways that are shared, and the sector sees as a strength, and want to preserve, for example:

> *Strengths exist at the secondary and (parts of) tertiary interface, e.g. St Paul's Agribusiness and Lincoln, but the VET sector is hard to navigate.' - Industry Body*

Related to this, there was relief expressed that Ag/Hort and agribusiness programmes in schools have had a reprieve, and optimism that the vocational pathways to be developed for senior secondary school over the next two years.

Utilising government investment more effectively in this part of the pipeline is critical. Industry needs to make better use of the available resources. The sector should sell its story much better and state the value proposition for joining. It is also obvious that commonly used strategies by industry bodies, such as investment in attraction initiatives, have been shown to have a very low return[11].

Stakeholders also spoke of the need to better integrate vocational and higher education (university based) allowing for recognition of VET learning in degree level programmes. One respondent noted,

> *'Some the best leaders he has seen in industry come from a practical background' - Industry body*

The diversity of pathways also must be considered given that more than 90% of new entrants to the sector come from places other than school, often from other food and fibre industries

The whole sector, therefore, needs to be aware of the pathways the education system offers and actively broker learners into them. Industry has a key role to play in cross-selling/brokering of learning at all levels, which will require providers and industry to have closer ties. At present providers report there is:

> '*Very little evidence of learners enrolling as a result of referral from industry players.' – Provider*

Both providers and industry should consider how employers and learners can be supported to navigate pathways that achieve great outcomes for the business and

[11] Food and Fibre Cove: Attraction and Retention Research Programme Synthesis Report, November 2023

individual, rather than just getting another 'bum on a seat'. The navigation role is clearly critical:

> *'It is naive to think that pathways are linear… more common that individuals, with their employers and mentors, develop their own paths to achieve their own end goals.' – Industry body*

9.8 Outcomes, integration and partnerships

One of the key arguments this paper makes is that better integration across the capability building system would be self-reinforcing and benefit all parts of the food and fibre sector. This starts with system level, outcomes-focused goal setting and works backwards to the operational strategies and processes required.

It might not be the right goal, but it is a valid outcome that industry and government require:

> *"If the government says we want to double the value of exports, then let's think about how we're going to do that… properly.' – Industry body*

To achieve this goal:

- Industry and government agencies need to support a level of analysis that identifies the opportunities, enablers, strategies, and skill and competency requirements to make it happen.
- At provider level we need to work out what needs to be delivered, the best pedagogical approaches, who's best placed to deliver and how to engage learners and employers.
- At employer level businesses need to keep abreast of change, think about how they integrate new elements into their business model and generate a return, consider whether they buy or build skills, and think about how they reward and retain key staff to capitalise on the investment.

This is far from complete list, but it demonstrates that a single organisation acting alone, is highly unlikely to be able to identify and catalyse opportunities. Across the system this requires:

- Astute systems thinking and leadership.
- Outcomes focus.
- Pathways and pipeline planning.
- Quality partnerships based around openness and transparency
- Good data sets to understand the issues and opportunities. This includes workforce planning data as well as in depth data to allow monitoring of system and delivery performance.

- Defined responsibilities between industry, education sector, employers and government.
- Industry and Government to play their stewardship role in the education sector and invest for NZ Inc outcomes.
- Enduring commitment from all.

9.9 Outcomes for Māori

Māori are specific focus under the Education Act 2020 and as Te Tiriti partners with the Crown. As users of Crown funding education agencies have a responsibility to Māori. Currently the system is not seen to be delivering for Māori, who despite making up a significant portion of the workforce across food and fibre industries, are:

> '*Underrepresented in qualification and training completion statistics and also struggle to progress into higher levels of industry without verification of their knowledge and abilities.' - Muka Tangata staff member*

This has downstream implications such as low confidence in dealing with the system, difficulty sourcing workplace tutors or assessors who relate to Māori learners, and a lack of leadership in businesses that values a Te Ao Māori approach to capability development.

This is further complicated by challenges accessing training, especially in regions that are geographically isolated or have limited connection to internet. The VET reforms have resulted in a retraction of ITO provision into larger urban centres, placing the onus on learners and employers to make arrangements to attend in-person or on-campus training.

The Māori learner's point of view requires redefining educational success away from traditional Western measures, focusing instead on holistic and collective outcomes grounded in Te Ao Māori principles. Māori learners define and measure success based on three key themes[12]:

1. **Whānau (The Collective):** Whānau relationships act as the primary motivator and the ultimate measure of success. Success is achieved when the individual's learning journey positively impacts their wider whānau, hapū, or iwi. This includes restoring collective mātauranga (Māori knowledge).
2. **Whakapapa (Identity):** Success involves re-connecting and affirming one's cultural identity, reo (language), and whakapapa (genealogy). The learning environment must enable tauira (students) to re-define themselves as successful learners, especially if they have experienced negative messaging or lowered expectations in previous mainstream schooling.
3. **Whakamanawa (Confidence):** Success is marked by a growth in confidence leading to a potential-filled future. This confidence empowers learners to

[12] Embedding Tirohanga Māori: Guidelines for Providers, Muka Tangata Workforce Development Council.

continue into higher studies or successfully transfer their enhanced skills into new careers, contributing back to their communities.

9.10 Industry involvement/ leadership

Over time industry and the education system have been seen to drift apart and that gap has caused disconnects. The need for industry leadership within the system was often mentioned during stakeholder interviews, largely with a view to helping lubricate some of the frictions in the system, for example:

- Help create demand, through referral to providers, through staircasing non-formal programmes into formal and advocating to farmers the benefit of training. This is largely seen as consistent with existing work and could help providers reduce cost to sell and be more viable.
- Help to get employers to the table for greater involvement in defining training needs and work-readiness.
- Help to identify great employer-trainers who could be utilised to develop sector-wide employer-trainer capability and build pathways for talented staff.
- Industry data/ forecasting to help determine need and services required and allocate funding.
- To help lead the outcomes focus required.
- Support specialist providers.
- Design industry content with learning in mind and enable providers to reuse it so there is consistency in the market, and minimal cost for providers in maintaining currency with industry.
- Work across the sector and with government to help co-ordinate consistency and coherence where possible.
- Help negotiate access to networks to raise the profile of key compliance issues, e.g. health and safety and environmental expectations.

This industry focus was stronger with smaller PTEs, which seemed to be hoping the 'industry' good focus of an industry body would help even the playing field and enable them to play a greater part in building sector capability in their specialist areas.

Industry as an honest broker

Other suggestions for the future went further and had industry playing a far more central role in determining the shape of the system. This ranged from building a network with providers through to establishing an industry PTE to support a more comprehensive VET service.

This sentiment gives rise to the idea of the *'honest broker'*. This broker was seen to be missing in the system, and required to help reduce fragmentation, improve quality, facilitate pipelines and reduce unhelpful competition and duplication among other goals, in other words to exercise industry stewardship.

In the current landscape there is no entity able to call out bad behaviour, poor performance and nudge players back onside. Muka Tangata partially had that role for VET formal education delivery of the sector but was unable to fully implement in the time it had available. The new ISB, initially, will be unlikely to carry out this function either.

The general opinion is that the government agencies mandated to deliver stewardship do a poor job of this. Again, government, with its reforms, is choosing to pull back. This leaves a gap which industry may consider it beneficial to fill.

A Government-Industry Agreement?

The concept of a GIA was raised in multiple forms by stakeholders, from some form of *'compact'* through to a:

> *'Legislatively enshrined organisation similar to Zespri' – For Purpose Provider*.

The aim of the concept is for industry to jointly govern and invest with Government in developing a bespoke capability system for the food and fibre sector, connected across industry, across providers, and up and down the value chain.

The call for a high level of formalisation, e.g. legislatively enshrined, is to ensure that focus is maintained, giving the system time to mature, and avoiding winnowing of investment over time as the various partners have other pressures to deal with. A period of 10 years is thought to be the minimum required to reboot the system, although 20 to 25 years may be more realistic. Obviously, this stretches investment timeframes past levy mandates and would require detailed feasibility analysis.

Industry-led, government-enabled has been a common mantra to describe this concept. Industry might consider taking a longer-term view in developing a systemic solution around a formal partnership.

Industry capability to partner

There were challenges to industry's current ability to act as an honest broker or as a partner in the system, with some stakeholders wondering if capability was a priority:

> *'Their organisational priorities are dominated by political advocacy/regulatory issues – the urgent stuff. But people and capability issues consistently rank higher in farmer surveys and are under-resourced' - Sheep and Beef Farmer.*

Industry's strategic leadership of capability has diminished over many years. This continued with responsibility being handed to Muka Tangata to lead workforce planning for the sector. Industry bodies appear to lack expertise and resources to play an active role. There is also the issue of resource constraints within industry bodies (small teams and limited levy) that limits the ability to play extended facilitation roles in capability.

There are recent signs of strengthened strategic leadership but their capability and capacity to support this will need to be rebuilt. Industry may consider a more active leadership role is appropriate in the face of changes being signalled in the governments VET reforms.

Get the right people into the room

This will vary by issue, for example agreeing strategy and approach may require CE's and Board Chairs to sign off on a business plan and delegations, but to make the collaboration work, operational staff with budget and decision-making ability need to be involved.

The right people are also critical at the governance table. The Primary ITO governance model, before being moved into Te Pūkenga, included a Board, Stakeholder Council and Industry Partnership Group (IPG). In many ways it provided good representation model for industry employers, but it was lacking connection with industry objectives. As is required of governors, the responsibility they took was for Primary ITO outcomes and not industry outcomes. Industry required a level of stewardship that cut through this, to delivery on industry and not Primary ITO needs.

9.11 CPD is similar… but different

Views on the future of CPD (non-formal and informal provision) are intertwined with the future of formal provision as signalled previously. There is strong belief in the need for ongoing CPD in the sector and an appreciation of both formal and non-formal approaches to this.

Non-formal approaches deliver the flexibility needed

Providers highlighted the slow speed of the education system, and the need to get something to their members or clients NOW. Business owners and managers, both producers and professionals, are busy and discerning in what they buy/attend. The flexibility of non-formal allows for providers to better tailor programmes to the needs of their clients. The issue will be not if it can be done but who will fund the delivery.

Formal education in CPD has its place

Formal qualifications, or at least credentials, that support evidence of competence in critical areas, have a place in professional development for producers and professionals. For example, a recent development in the horticulture sector helps resellers to:

> *'Put some weight behind claims of competence and actually meet GAP requirements rather than fudging a response' – Agribusiness*

These was some preference expressed for university-based qualifications, but VET was recognised and defended as an option. One agribusiness labelled the university idea as *'Academic snobbery'*. Their experience has been the VET sector and the transparent standards made working with VET much more straightforward.

The standard setting function in the VET system could be extended, on a user pays basis, to help provide greater independence and more industry-specific solutions. This should also include university-based programmes so that there is transparency and of those standards, even if quality processes differ.

Certification bodies in the sector also contribute to standards but are sometimes not seen to be independent enough. However, they do represent a channel to identify needs for CPD provision, for example NZARM's Capability Assessment Tool identifies gaps in skill sets giving providers the opportunity to respond.

Transitioning CPD form non-formal to formal

The Kellogg Rural Leadership Programme has recently moved to provide a graduate diploma to those participants who fulfil the requirements of the course, including the research report, to a sufficient standard. This was done to provide additional recognition for participants. A side benefit is the ability to offset cost through TEC revenue that Lincoln University can attract. There has been high uptake, with a majority of participants choosing to complete the academic requirements.

This provides an interesting template for other non-formal providers and industry bodies to consider. There will be challenges, such as in developing assessment that feels fit for purpose to the participants and meeting the administrative requirements of the formal system, however a partner that is skilled in this could be tasked with the role.

Difficult to know how to engage

Even if they wanted to engage through the formal system, respondents highlighted how complex and confusing it is to navigate the system and to know where to start and who to start with. This question could equally be passed in the opposite direction; how does the formal system engage more effectively with the non-formal and especially with membership organisations? These groups are likely to be at the forefront of industry practice and able to guide development in both formal and informal product and services.

Industry endorsement / brokering required

Having industry recognise the qualities and outcomes achieved by a programme and then brokering members top it would be valuable for providers. Endorsement does not need to be exclusive but needs to be transparent so all market participants can understand how endorsement is achieved.

The rapid churn of providers and courses is a problem for brokers and stewardship. Industry and providers would have to work together on a more consistent basis to maintain currency.

Shared services opportunities

CPD Infrastructure was identified as an opportunity. The development of an:

> *'IT system that could record CPD, allow compulsory micro-learning when new rules arrive, and act as an aggregator of professional development opportunities.' – Industry body*

This was seen as a tool that could support professional development at all levels, including producers, professionals, regulators and tutors. There are elements of this in place through the Institute of Rural Professionals which has a CPD hub aggregating programmes, or NMACP which has an online learning management system. However, both are relatively small organisations with limited budgets, and a shared services model could be attractive as it would provide them with access to a learning management system and to share the cost of development for CPD modules which could be used across a much wider audience base.

10 Options for the Future

The purpose of this project is to create options for the future. The following pages describe five options for the future developed off the back of discussion with stakeholders.

The focus should not be on the form or structure that is suggested, but on how the required system functions can best be arranged and delivered to benefit the sector.

The options set out are not a comprehensive list, and there may well be other new options or recombination's of those presented that would deliver more favourable outcomes for the sector.

10.1 System performance requirements

As we create options it is useful to think about what we want the system to deliver in the future. The requirements we believe we have heard for the system to deliver to its potential are outlined below. Once again this is not a comprehensive list, and we will build on them.

It should also be noted that not all requirements may be deliverable, and we will need to choose and prioritise. Implementation certainly will need to be staggered over time, as we cannot turn the system round overnight.

The long list of requirements is:

- Gains the confidence of employers
  - Competent navigators / regional connectors are available to assist learners and employers meet their goals
  - Delivers the skills required, supports pathways to high-skill roles, aligning training with industry needs.
  - Consistency in outcomes – with providers delivering to skill standards and externally moderated to ensure consistent quality.
  - Need to maintain face to face delivery in rural regions.
  - Pastoral care to support learners
  - Supports employers to play their part in the system better, especially as leaders of people.
  - Pre-employment graduates are work ready.
- The network functions to effectively and efficiently deliver the most appropriate product for purpose.
  - Has flexibility to partner with different TEOs, as well as providers across the CPD network to identify the most appropriate product, or suite of products, required to achieve the desired outcome.
  - Builds transparency and trust across industry and providers in the sector to enable collaboration.

  - Duplication is minimised so that maximum investment is directed to high quality learning delivery.
  - Enhance the pace with which the system can adapt and deliver new products.
  - Has good data and uses it to make informed decisions.
  - Shares resources as appropriate.
  - The network is well coordinated, with learning objectives understood and staircased between programmes. It enables industry, providers and employers to play their part.
  - The network brokers learners to next stages, where they can access product that is most suited to their needs.
  - Makes best use of available funds.
- The system is able to be governed and held accountable and appropriate structures are in place to do so.

Ultimately financial viability will need to be proven for those involved in provision, but in the first instance the focus is being kept on the outcomes required from the system.

10.2 Option outlines

The starting point options are outlined below and described in more detail in the following pages.

Option	Description:
Do nothing	• Make an **active choice** to let the ITP, Wānanga and PTE sectors deal with local WBL demand and deliver accordingly. Only industry influence is through the ISB in the standard setting process. This is currently the default position facing the sector.
Form an Industry-led PTE	• Industry establishes a PTE to provide governance and coordination of WBL provision and to act as the basis of a consistent national delivery network. Works with other TEOs to fill out the national network, enabling specialists. • Backed by industry, the PTE can support and extend provision into non-formal and CPD provision if required.
Endorse a network of preferred providers	• Industry develops and maintains a collaborative capacity alongside but separate from the ISB to provide oversight and evaluation of the network of providers and their performance in delivering positive outcomes for industry. • Based on this evaluation, industry would endorse providers to be part of and supply the network. This could be done industry by industry or through a pan-sector capability collective. Where gaps exist, they would call for and select providers to fill them.
Form Independent co-ordinating entity	• An independent organisation set up and owned by industry, and potentially providers who deliver to the F&F sector. This would not be an education entity as recognised by the TEC. • The entity would provide industry leadership to govern and coordinate provision with ITP's Wānanga, and PTEs to achieve industry objectives, acting as the system broker to co-ordinate with the ISB and ideally TEC around endorsement of programmes, allocation of funding, and performance of the system in meeting industry objectives. • It could also be home to critical functions, for example, providing a quality management function and a learning management system to support the wider sector.
Form a National F&F College within ITPs, PTEs and Wananga	• A network of provision built across willing ITPs and TWoA, co-ordinated nationally with industry-led governance to ensure that industry works closely with providers to get what they require. • This may result in a lead provider with one ITP leading for the Food and Fibre Sector, or various ITPs taking leadership for different industries where that have a natural affiliation, e.g. Toi Ohomai might lead forestry. • These industry leads would then work through their ITP/ Wananga whanau, as well as specialist PTEs to deliver in other regions, as appropriate.

10.2.1 OPTION 1: Do nothing

Make an **active choice** to let the ITP, Wānanga and PTE sectors deal with local WBL demand and deliver accordingly. Only industry influence is through the ISB in the standard setting process. This is currently the default position facing the sector.

Strengths

- Local facing organisations may be better connected to local business and be able to better meet needs (?)
- National coverage could be achieved but not guaranteed.
- ITPs have strategic fund available for critical delivery which may help support food and fibre sector.
- Frees up industry resources for other concerns.

Weaknesses

- Lacks coordination.
- Economic fragility of ITPs means they will only deliver profitable programmes. Small volume programmes unlikely to attract sufficient attention to warrant delivery. Some industries will not be served.
- Potential lack of consistency between regions due to different TEO approaches could confuse industry and devalues qualifications.
- City based staff may not connect well with rural learners.
- ITPs, PTEs and Wananga don't necessarily understand work-based learning and the complexities associated with distance.
- Possibly less flexible in delivery due to semester approach.
- High transaction cost for industry in dealing with multiple ITPs if they want to have any influence on delivery.
- Competition between providers may lead to a race to the bottom.
- A clunky transition to multiple providers could leave disengaged learners and no WBL to take up.

Barriers

- Nil – this appears to be the preferred/ default option for Minister Simmonds in an effort to support ITP viability & sustainability

Enablers

- ISB maintains consistent standards to ensure value of qualifications & credentials
- WBL seeds learners and programmes with ITPs, enabling transfer.
- Some transfer of WBL staff to ITPs to maintain networks and industry knowledge.
- Specialist PTEs contracting to ITP to support delivery
- Wānanga alignment with Māori communities, learners and employers
- TWoA national network of provision

Other Considerations

- If this is an open competition between providers for WBL learners where will the WBL subsidiaries hand their learners to?
- Difficult for businesses with cross-industry or cross-region activity in having to deal with multiple providers.
- TEC's capacity to manage outcomes for the sector across diverse provision
- Reduced resourcing of ISB constrains its role in providing advice to TEC and compromises the ability of industry advisory groups to influence TEC investment at any level.
- Does not enable link to CPD and means VET remains isolated.
- To what extent can providers pick up existing capability in the WBL to maintain networks and learner connection.
- Early identification of network to enable learner transition.
- What happens to the nationally organised Trade Academy?

10.2.2 OPTION 2: Industry-led PTE:

Industry establishes a PTE to provide governance and coordination of WBL provision and to act as the basis of a consistent national delivery network. Works with other TEOs to fill out the national network, enabling specialists. Backed by industry, the PTE can support and extend provision into non-formal and CPD provision if required.

Strengths

- Industry relationships provide better connections to local businesses.
- Industry can apply its own design principles, functions & expectations.
- National coverage and consistency of delivery will be achieved.
- Delivery choices are more likely to be outcome focused.
- Industry forms a pan-sector capability collective.
- Māori will have a voice.
- Collective advocacy for F&F network promotion & requirements.
- TEC appears willing to see WBLs transition to PTEs but does not want reemergence of a plethora of industry specific PTEs.
- As an independent business a PTE can undertake work for industry that has not been possible as part of the education system.
- Can access other funding, not just WBL, where this is justified.
- Can act as an industry centre of excellence for industry investment in educational enablers.

Weaknesses

- Industry lacks experience in governance and management of the complexities and constraints of VET delivery, products and services.
- WBL funding rates and significantly reduced resource transitioning from Te Pūkenga.
- Small volume programmes will still be a tension in the volume-based funding system.
- Possible tension between corporate and other industry and employer needs.
- It won't be easy to maintain cohesion and unity in the face of competing industry needs.

Barriers

- Industry willingness to invest in PTE ownership.
- Viability concerns.

Enablers

- Strong industry support required to support employer and learner engagement.
- National co-ordination of the network.
- ISB maintains consistent standards to ensure value of quals.
- WBL transition will be more straightforward.
- Transfer of key WBL staff to PTE will ensure continuity & maintain networks and industry knowledge.
- Ability to sub-contract to specialist providers to support delivery.
- Transfer of key assets from the WBL
- Industry underwriting PTE – does not necessarily mean a cash cost but will require collaboration.

Other Considerations

- Will still face competition from other providers and their products and services but can and should choose to work with them.
- Unclear what will be able to be transitioned until clarity gained on what TEC regards as Government property.
- Like the WDC transition to ISBs a move from a WBL subsidiary will require rationalisation of the WBL. The extent of this is unclear but should industry wish to further investigate this option the detail can be pursued.
- Brand – the current WBL brand is limited in its appeal.
- There may be the opportunity to form a PTE around an existing PTE should TEC prove a barrier.

10.2.3 OPTION 3: Endorsed network of providers

Industry develops and maintains a collaborative capacity alongside but separate from the ISB to provide oversight and evaluation of the network of providers and their performance in delivering positive outcomes for industry. Based on this evaluation, industry would endorse providers to be part of and supply the network. There may be a lead provider nominated. This could be done industry by industry or through a pan-sector capability collective. Where gaps exist, they would call for and select providers to fill them.

Strengths

- Industry can apply its own design principles, functions & expectations to the network, e.g. local connection, and understand of WBL practice.
- Can draw on the strengths of a range of TEO's that are most able to meet industry expectations, including specialist TEOs.
- Industry could use network formation as a tool to broker and encourage providers to collaborate.
- Māori agribusiness could form a network on its own or be part of a collective.

Weaknesses

- This will require industry to invest to deliver a set of functions that is not funded by the education system. This may be light touch or be more significant where there is concern about the standard of provision.
- It relies on the ISB and TEC for industry to have any teeth in the endorsement process other than the power of the industry recommendation. TEC will still have funding authority.
- Relies on the provider choosing to offer relevant programmes, which will rely on financial viability.
- Small volume programmes unlikely to attract sufficient attention to warrant delivery, unless this was made contingent on endorsement in other areas.
- National coverage and consistency may be difficult.

Barriers

- Government may not want to work with industry endorsement as it challenges their funding model, and they may feel it undermines the ISB
- Providers may object to duplication of performance & compliance expectations.
- ITP accountability to regions and not national industries.

Enablers

- ISB maintains consistent standards to ensure value of qualifications & credentials
- Industry data and training data merged to provide accurate picture of provision and outcomes.
- Specialist provision can be endorsed including out of region provision from ITPs and provide access for remote and underserved industries.
- Wānanga alignment with Māori communities, learners and employers.
- TWoA national network of provision.

Other Considerations

- Difficult for businesses with cross-industry or cross-region activity in having to deal with multiple providers.
- TEC's capacity and capability to partner with industry and/or manage outcomes across such diverse provision.
- Will still face competition from other providers and their products and services.
- Early identification of network to enable learner transition.

10.2.4 OPTION 4: Independent co-ordinating entity

An independent organisation set up and owned by industry, and potentially providers who deliver to the F&F sector. This would not be an education entity as recognised by the TEC. The entity would provide industry leadership to govern and coordinate provision with ITP's Wānanga, and PTEs to achieve industry objectives, acting as the system broker to co-ordinate with the ISB and ideally TEC around endorsement of programmes and therefore allocation of funding, and the performance of the system in meeting industry objectives. It could also be home to critical functions, for example, providing a quality management function and a learning management system to support the wider sector.

Strengths

- Industry can require providers to be better connected to local businesses.
- Industry can apply its own design principles, functions & expectations.
- ITPs, Wānanga and PTEs able to access different funding and use the best product for the purpose.
- National coverage and consistency could be achieved.
- ITPs have strategic funding available for critical delivery.
- Enables an active industry and government partnership.
- Industry forms a pan-sector capability collective.
- Māori will have a voice and the opportunity to influence delivery.
- Collective advocacy for F&F network promotion & requirements.

Weaknesses

- Economic fragility of ITPs means they might not want to buy into this model.
- Small volume programmes will still be a tension in the volume-based funding system.
- Potential lack of consistency & coherence around delivery because there are a lot of moving parts.
- Providers don't necessarily understand work-based learning.

Barriers

- The transaction costs in such an arrangement may outweigh the benefits for either providers or industry's willingness to invest.
- Government may not want to work with industry through the ISB model.
- ISB may not be allowed the capacity or capability to support this.
- Providers may object to duplication of compliance expectations.

Enablers

- ISB maintains consistent standards to ensure value of qualifications & credentials
- WBL seeds learners and programmes with providers, enabling transfer.
- Transfer of WBL staff to providers underpins network and industry knowledge.
- Specialist PTEs and Wānanga can resolve remote access issues.
- Wānanga alignment with Māori communities, learners and employers
- TWoA national network of provision

Other Considerations

- Difficult for businesses with cross-industry or cross-region activity in having to deal with multiple providers.
- TEC's capacity to manage across such an arrangement.
- Will still face competition from other providers and their products and services.

10.2.5 OPTION 5: A national college of food and fibre within ITPs/Wananga

A network of provision built across willing ITPs and TWoA, co-ordinated nationally with industry-led governance to ensure that industry works closely with providers to get what they require. This may result in a lead provider with one ITP leading for the Food and Fibre Sector, or various ITPs taking leadership for different industries where that have a natural affiliation, e.g. Toi Ohomai might lead forestry. These industry leads would then work through their ITP/ Wananga colleagues to deliver in other regions, including specialist PTEs as appropriate.

Strengths

- Industry can require providers to be better connected to local businesses.
- Industry can apply its own design principles, functions & expectations.
- ITPs, Wānanga and PTEs able to access different funding.
- National coverage and consistency could be achieved.
- ITPs have strategic fund available for critical delivery.
- Enables an active industry and government partnership.
- Industry forms a pan-sector capability collective.
- Māori will have a voice and the opportunity to influence delivery.
- Collective advocacy for F&F network promotion & requirements

Weaknesses

- Requires agreement from many parties to implement and maintain.
- Economic fragility of ITPs means they might not want to buy into this model.
- Small volume programmes will still be a tension in the volume-based funding system.
- Potential lack of consistency & coherence around delivery because there are a lot of moving parts.
- Providers don’t necessarily understand work-based learning.
- Less flexible in delivery, more exposed to supply-side constraints.
- Industry governance may have less influence over providers.
- PTE’s less engaged.

Barriers

- Industry willingness to invest in the governance and potentially underwriting the transition of the WBL to the new arrangements.
- Government may not want to work with industry through the ISB model.
- ISB may not be allowed the capacity or capability to support this.
- Providers may object to duplication of compliance expectations.

Enablers

- ISB maintains consistent standards to ensure value of qualifications & credentials
- WBL seeds learners and programmes with ITPs & Wānanga, enabling transfer.
- Some transfer of WBL staff to ITPs & Wānanga to maintain networks and industry knowledge.
- Specialist PTEs contracting to ITPs to support delivery
- TWoA 's network of provision has strong alignment with Māori communities, learners and employers.

Other Considerations

- TEC's capacity to manage across such an arrangement.
- Formalising the arrangement to bring industry together in a network that has just been split apart.