Submission on Work-Based Learning Consultation

Submitted by: IT Professionals and TUANZ – Tech Users Association
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1. Introduction: The Role of Digital Technology in Aotearoa's Growth

Digital technology is one of New Zealand's most critical growth industries, contributing significantly to economic development, job creation, and productivity improvements across all sectors. As the fastest-growing high-wage industry, digital technology plays a dual role:

1. As a distinct industry requiring its own specialised workforce development strategy.
2. As an essential enabler across all industries, from agriculture to energy, health, and creative sectors.

The government's economic growth agenda depends on strong digital capability, yet the current vocational education system does not adequately recognize digital technology's unique needs. The shift from Workforce Development Councils (WDCs) to Industry Skills Boards (ISBs) must ensure that digital technology is not sidelined or bundled with unrelated industries.

This submission reinforces our support for industry-led workforce development, highlights the importance of a dedicated digital technology ISB, and advocates for flexible, work-based learning pathways that align with the realities of tech employment.

2. Consultation Question Responses

1. **Which of the two models – Independent or Collaborative Work-Based Learning – does your organisation prefer?**

We prefer the Independent Work-Based Learning model. The digital technology sector requires a flexible, employer-driven training approach, and the independent model ensures direct industry control over workforce planning, skills development, and qualification design.

The Collaborative model introduces too many intermediaries and risks slowing down decision-making, which would be detrimental to a fast-moving industry like digital technology.

2. Why will your preferred model work best for employers and learners in work-based learning?

The Independent model works best because:

- It ensures strong industry-led governance and direct employer input into qualification frameworks.
- It supports flexible pathways, including cadetships, micro-credentials, and apprenticeship-equivalent models that align with tech industry hiring practices.
- It keeps training curricula agile and responsive to rapid technological advancements in areas like AI, cybersecurity, and cloud computing.
- It enables closer industry-education partnerships, ensuring that learning pathways align with actual employer needs.

3. What does your organisation think are the main benefits, costs, and risks of each option for employers and learners in your industry?

Independent Model (Preferred)

Benefits

- Gives direct industry control over skills development
- Supports faster adaptation to technology changes
- Encourages stronger employer engagement
- Aligns with modern digital tech employment models

Costs

- May require additional resources from industry to support training governance.

Risks

- Risk of fragmentation if not well-coordinated across different industry groups.

Collaborative Model (Not Preferred)

Benefits

- Could provide more centralised oversight across multiple industries.
- Reduces the administrative burden on smaller employers.

Costs

- Slower response times in adapting to new technology trends.
- Risk of digital tech being deprioritized in favor of traditional trades.
- Less direct employer influence over workforce training.

Risks

- Could fail to support modern digital career pathways that differ from traditional trades.
- Bureaucratic inefficiencies could limit the effectiveness of training initiatives.

4. **What will be the critical factors in making transitions work for your industry?**
   To ensure a smooth transition to the new model, the following factors must be prioritized for the digital technology sector:

- Digital technology must remain a distinct industry with a dedicated ISB.
- Industry must have a direct role in decision-making and qualification framework development.
- Funding models must support cadetships, micro-credentials, and flexible pathways, not just traditional apprenticeships.
- Avoiding fragmentation across different providers, ensuring consistent national standards.
- Streamlined employer engagement processes, making it easy for tech businesses to participate in work-based learning.

3. Ensuring Digital Technology is Treated as a Distinct Industry

We strongly urge the government to maintain digital technology as a standalone industry within the vocational education framework. Unlike other industries, digital technology:

- Evolves rapidly, requiring continuous upskilling in AI, cybersecurity, and data science.
- Supports high-value jobs that drive New Zealand's export economy.
- Does not fit traditional vocational models, as it relies more on cadetships, micro-credentials, and flexible pathways than traditional apprenticeships.

Bundling digital technology into "business services" or "creative industries" would:

- Risk diluting the sector's needs, leading to outdated training programs.
- Reduce industry engagement, making it harder for tech businesses to influence curriculum design.
- Create gaps in workforce planning, leaving businesses unable to find qualified talent.

Recommendation

- Establish a dedicated Digital Technology Industry Skills Board (ISB).
- Ensure strong industry representation in governance structures, building on the work done by Toi Mai.
- Align New Zealand's digital workforce strategy with global frameworks such as SFIA (Skills Framework for the Information Age) to ensure international competitiveness.

4. Work-Based Learning Pathways Must Reflect Industry Needs

Digital technology employment models differ significantly from traditional trades, requiring new approaches to work-based learning.

Challenges with Traditional Apprenticeships in Digital Tech

- Many tech employers don't follow traditional apprenticeship models.
- The pace of change in technology means long training cycles quickly become outdated.
- Many digital roles are project-based, remote, or globally integrated, requiring non-traditional learning models.

What's Needed Instead

- Cadetships and structured internships that allow learners to gain hands-on experience in tech businesses.
- Bootcamps and micro-credentialing programs that align with evolving industry needs.
- Hybrid and remote learning options, reflecting the realities of modern tech workplaces.

Funding Support for Employers

A key barrier to employer participation in work-based learning is cost and resource constraints. The government must:

- Provide financial incentives for small and medium-sized tech firms to offer cadetships.
- Ensure employer-led training programs qualify for funding, not just polytechnic-led courses.
- Create tax incentives for companies that invest in workforce development.

5. Conclusion & Recommendations

We urge the government to:

1. Recognise digital technology as a distinct industry with its own ISB.
2. Ensure work-based learning pathways align with tech employment realities, including cadetships and micro-credentials.
3. Fund industry-led training programs, allowing tech employers to shape workforce development.
4. Maintain strong industry governance in ISBs, ensuring digital skills remain relevant.
5. Support SMEs and startups in training the future workforce, through financial incentives and employer-led learning models.

Final Thought

The government has an opportunity to future-proof New Zealand's workforce by investing in digital technology skills development. A vocational education system that prioritises digital capability will help New Zealand compete globally, drive innovation, and create high-value jobs.

We welcome further discussions to ensure vocational education reform delivers real results for the digital technology sector.

About IT Professionals

IT Professionals NZ is Aotearoa's leading organisation dedicated to the individuals who drive the digital technology industry. For 65 years, we have been a cornerstone of the digital community, continuously evolving to support and advocate for professionals at every stage of their careers. As a trusted voice for the sector, we work to ensure a thriving, future-ready digital workforce in New Zealand.

About TUANZ

TUANZ is the association for the users of digital technology and connectivity which is in its 38th year since incorporation. We are unique - we believe there is no other group or organisation that is representative of the people and organisations that are the end users of digital technologies in the manner that TUANZ is. We value our independence and will always seek to speak for users without undue influence.