Infrastructure
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Infrastructure New Zealand's Submission to the Education and Workforce Committee on the Education and Training (Vocational Education and Training System) Amendment Bill

1. Introduction

1.1 Infrastructure New Zealand (INZ) welcomes the opportunity to submit to the Education and Training Committee on the Education and Training (Vocational Education and Training System) Amendment Bill.

1.2 As the peak body representing the infrastructure sector, we strongly support the intent of the Bill to embed stronger industry leadership in vocational education and ensure the system better delivers the skills needed to support New Zealand's economic and social infrastructure.

1.3 INZ is Aotearoa's peak membership organisation for the infrastructure sector. We promote best practice in national infrastructure development through research, advocacy, and public and private sector collaboration. Our membership is comprised of around 150 organisations, including government agencies, consultants, contractors, financiers, utilities, and academics. These organisations employ approximately 150,000 people in infrastructure-related roles and are united in their commitment to creating a better New Zealand through outstanding infrastructure.

1.4 We particularly support the establishment of Industry Skills Boards (ISBs) as industry-led entities. However, we believe the Bill can and should go further to ensure ISBs have the influence, resourcing, and operational coherence required to deliver on their potential.

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2. Recommendations

1. Strengthen the Influence and Voice of Industry in ISB Functions

2.1 To be effective, ISBs must have more than a consultative role. They must have real influence over TEC's investment decisions, workforce strategy, and the quality and relevance of vocational training.

2.2 ***We recommend the Bill be amended to***:

- Require TEC to give effect to ISB advice or, where this is not possible, to provide clear reasoning.
- Empower ISBs to provide advice not just to TEC, but across central government agencies involved in labour market, skills and workforce development strategy.
- Include an explicit ISB function for shaping career pathways and providing input into TEC's careers advisory work.
- Require government agencies (TEC, NZQA, MoE) to share relevant data with ISBs to support strategic planning and workforce forecasting.

2. Preserve Employer and Learner Choice During Transition

2.3 The Bill's current provisions limiting the ISB's ability to enroll learners in work-based learning (WBL) if other options exist are overly restrictive and risk undermining continuity and employer confidence.

2.4 ***We recommend the Bill be amended to:***

- Remove the requirement for TEC permission for each WBL enrolment where other provision is available.
- Allow transitional WBL entities to enroll learners freely until the full system is operational and new providers are confirmed.

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3. Support Shared Services Across ISBs to Reduce Duplication and Overheads

2.5 The scale of each ISB will be limited, yet each will face significant operational and governance demands. Without shared service arrangements, costs will be duplicated across small entities, eroding efficiency and effectiveness.

2.6 ***We recommend the Bill be amended to***:

- Establish a joint services provider to support ISBs with corporate functions including finance, HR, IT, communications, and governance support.
- Re-use and adapt the Hāpaitia joint services model, which has successfully supported the existing Workforce Development Councils, should be actively considered and supported in legislation or policy guidance.

4. Enable Fee-for-Service and Responsiveness to Industry

2.7 ISBs must be empowered to operate in ways that deliver tangible value to industry and reflect real industry need.

2.8 ***We recommend the Bill be amended to:***

- Broaden the scope of permissible ISB functions to include advisory, quality assurance, credentialing, and training product development functions under a fee-for-service model.
- Allow ISBs to charge for programme endorsement and recognition of prior learning (RPL), in addition to moderation.

5. Improve Governance and Reduce Compliance Burden

2.9 To maintain an industry-led character and reduce compliance costs:

- ISBs should not be subject to mandatory Ministerial appointments.
- The minimum number of board members should be reduced from 8 to 6.

- Governance structures should include mandatory Māori representation.

- The Bill should provide for sufficient industry and iwi reference groups to be embedded in ISB operations.

6. Clarify Funding and Long-Term Viability

2.10 A clear and sustainable funding model is essential. The redirection of WBL funding must be carefully managed to ensure that industry and apprentices are not unfairly burdened.

2.11 ***We recommend the Bill be amended to:***

- Require the Government to consult on long-term funding strategies for ISBs and vocational training, including the role of levies, fee-for-service, and baseline funding.

- Ensure that ISBs are not required to fund their core statutory functions solely from redirected WBL funding or potential levies without robust industry support.

3. Conclusion

3.1 Infrastructure New Zealand supports the direction of the Bill but urges the Select Committee to strengthen the role of industry in governance, funding decisions, workforce planning, and system oversight. We also urge the government to facilitate joint service arrangements for ISBs to ensure a sustainable and effective delivery structure.

Nick Leggett

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