

SUBMISSION BY



to

THE MINISTRY OF EDUCATION

on

**OPTIONS FOR THE FUTURE OF WORK-BASED LEARNING
CONSULTATION**

February 2025

CONTACT:

Graeme Muller
Chief Executive
NZTech

E | Graeme.muller@nztech.org.nz

M | +64 21 0252 0767

NZTECH SUBMISSION ON THE FUTURE OF WORK-BASED LEARNING

February 2025

INTRODUCTION

NZTech welcomes the opportunity to comment on the Ministry's consultation document.

As our brief submission highlights, digital technology and advanced technology training are essential to ensuring the continued success of many of New Zealand's most valuable and fastest-growing industries, yet existing pathways for upskilling and advanced digital training are inadequate.

As a result, digital industries have had to rely on immigration to solve their skills shortages with almost half the nation's digital workforce operating on overseas work visas.

We support efforts to address these challenges.

ABOUT NZTECH

NZTech is a member-funded, not-for-profit, non-governmental organisation that has multiple tech communities, associations and national initiatives that help create connections, promote tech and enhance New Zealand's ability to benefit from technology.

We bring together the NZ Tech Alliance and represent 24 tech associations such as AgriTechNZ, BioTechNZ, EdTechNZ, FinTechNZ, the AI Forum, the NZ Game Developers Association, Digital Health, Digital Identity NZ and more. We have more than 2,500 members who together employ 10 percent of the New Zealand workforce, comprising startups, local tech firms, multinationals, education providers, financial institutions, major corporations, network providers, hi-tech manufacturers and government agencies that work closely with the tech ecosystem.

COMMENTS

While digital technology and advanced technology training are essential to growing New Zealand's economy, pathways for upskilling and advanced digital training are inadequate.

As a result, digital industries have had to rely on immigration to solve their skills shortages, with 45% of the nation's digital workforce operating on overseas work visas. This research, by NZTech and Toi Mai (the technology workforce development council), has also found increasing demand and openness for training pathways that include work-based learning as a means of creating better access to domestic talent. However, the current funding model creates a disconnect between degree and advanced-degree learning, and market entry learning.

Additionally, while the concept of work-based learning is fine in principle economic drivers and a lack of experience in the sector mean any system that expects tech firms to take on pastoral care is likely to fail. It will take some time before tech firms that are used to recruiting more experienced people will be able to redesign their systems to better enable work-based learning. This will require support from, and collaboration with, the education system.

It is also important to note that these digital roles are in demand across not just the fast-growing tech sector but also all sectors undergoing digital modernisation including finance, health, government, retail, manufacturing and agriculture. Only half the digital workforce works in the tech sector so improving the education pathways for digital skills is critical for the entire economy.

RESPONSE TO CONSULTATION QUESTIONS

1. Which of the two models – Independent or Collaborative work-based learning – does your organisation prefer?

The proposed collaborative system, with the specific inclusion and recognition of the importance of supporting pastoral care, would be essential to supporting the introduction of work-based learning in digital roles.

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

The introduction of work-based learning for digital roles would be new. Consequently, most potential employers would have no experience in how to adapt their businesses to maximise the benefits for both them and the learner. We believe a specific entity tasked with supporting this interface via pastoral care, plus a much closer collaboration between industry and the education system, would improve the outcome for digital skills development.

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

Unless pastoral care is specifically included, the economics of these businesses mean they are unlikely to change enough to facilitate a successful system-wide outcome.

4. Both models will involve a transition process but this will be different for each. What will be the critical factors in making transitions work for your industry?

- (a) Ensuring digital/business roles have a specific ISB, similar to the Australian approach. This would recognise the economic importance of the digital sector and ensure it does not get forgotten or overlooked as a part of another industry plan. Bundling it with business – as did Australia – may be useful as businesses face similar needs for skills based on experience.
- (b) An emphasis on collaboration with industry to develop policy instead of post-development consultation.

CONCLUSION

NZTech thanks the Ministry of Education for the opportunity to make this submission. We would be happy to provide further information or discuss in person any aspect of our submission with you.

A handwritten signature in black ink, appearing to read 'Graeme Muller', with a stylized flourish at the end.

Graeme Muller

Chief Executive

NZTech

E | Graeme.muller@nztech.org.nz

M | +64 21 0252 0767