

Submission to the Ministry of Education - Options for the future of Work Based Learning

Forestry and Wood Processing Group
February 21, 2025.



Submission - Options for the future of Work Based Learning

Contact for Correspondence

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We are happy to meet and discuss this further with you.

About the Pan Sector Group

1. The Forestry and Wood Processing Group (PSG) is an industry collaboration group operating as a voluntary confederation, established to help support the forestry and wood processing industry. Representative of the value chain, we work together to provide better outcomes for the people and businesses operating in the industry. PSG contributors are:
 - a. Forestry Industry Contractors Association (FICA)
 - b. Wood Processors & Manufacturers Association (WPMA)
 - c. New Zealand Timber Industry Federation (NZTIF)
 - d. Forestry Industry Safety Council (FISC)
 - e. New Zealand Forest Owners Association (FOA)
 - f. Ngā Pou a Tāne National Māori Forestry Association (NPaT)
 - g. New Zealand Farm Foresters Association (NZFFA)
 - h. New Zealand Institute of Forestry (NZIF)
 - i. Log Transport Safety Council (LTSC)
 - j. Bioenergy Association of New Zealand (BANZ)
2. The PSG has developed this submission as a single voice to highlight the strategic importance of vocational training within the forestry and wood processing (F&WP) industry and to reaffirm our commitment to partnering with the government to improve vocational training outcomes for the industry. Our industry skills are central to forestry exports, to domestic packaging, paper, energy and construction requirements; as well as New Zealand's 2050 international climate response commitments.
3. We support the goal of a more cost-effective VET system. We also support the goal to double the value of exports by 2040.
4. We encourage the government to recognize through its decisions the significant contributions, public good and economic investment that the food and fibre industry makes to the economy. We caution against a numbers-led approach to VET and encourage the Minister to continue working beside us to ensure policy settings and weightings for user-pays and cost recovery models look beyond the classroom into the web of relationships that must work in order to grow and innovate a world leading food

and fibre economy. We understand the funding model will be evaluated in the next round of consultation and welcome these discussions.

Background

1. New Zealand's 1.75-million-hectare production forest estate employs nearly 40,000 people across the supply chain from forest silviculture, harvesting, management to processing and sawmilling. 8,500 are employed in forestry and 29,335 are employed in wood processing¹.
2. Forestry is the country's fourth largest export earner. It contributes 1.6 percent of New Zealand's GDP. In 2023, the forest growing sector was worth \$6.35 billion in export value and has a 12 percent share of rural land use.
3. Plantation forests play a significant public good role in helping New Zealand meet its net-zero emissions targets by 2050 through carbon sequestration and providing feedstocks to meet growing demand for bioenergy, and for high-value products that offer an alternative to those made from fossil fuels. This vital role is only going to increase in the future.
4. Forestry is a strategically vital industry for achieving the government's goal of doubling exports over the next decade. Over the past ten years, the sector has significantly increased harvesting productivity, achieving higher production levels without expanding the workforce. This efficiency gain has been driven primarily by the mechanization of previously manual roles, streamlining operations and enhancing overall output. As a result, wages have risen substantially, fostering a highly skilled and well-compensated workforce that makes a significant economic contribution to rural New Zealand.
5. Significant innovation and development have transformed forest harvesting and wood processing over the past decade. The widespread mechanization of harvesting roles has shifted the industry from predominantly manual labor to machine operation. This evolution has fundamentally changed workforce training requirements, placing greater emphasis on developing skills in operating advanced machinery rather than performing physical tasks.
6. Although the forestry sector employs a relatively small workforce, its contribution to national export earnings is highly significant. The majority of jobs are based in regional areas, where forestry plays a vital role in supporting provincial economies and driving local economic growth
7. Forestry harvesting training requires intensive, high-input instruction for a small number of learners, making it unsuitable for traditional classroom-based teaching. Training and assessment are typically conducted one-on-one rather than in cohorts, as hands-on experience is essential. For example, operating a 30-ton loader to load trucks on a forest landing requires practical guidance in a real-world setting rather than classroom instruction.

Learners rarely progress through a structured classroom program as a group, except for entry-level workers completing an introductory course on general industry requirements or senior staff undertaking management or leadership training. This individualized training approach is critical to ensuring competency and safety in the complex, high-risk forestry environment.

¹ Forestry and Wood Processing Labour Force Survey, NZIER report to Ministry for Primary Industries, 2021.

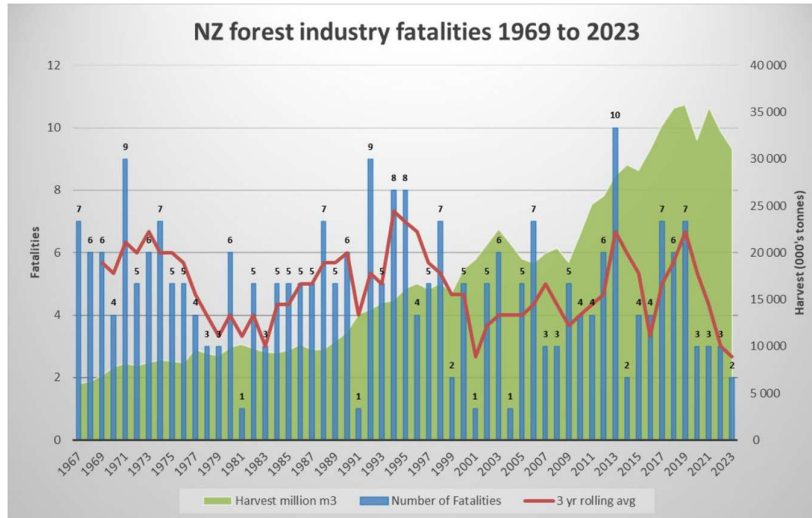
8. Forestry relies on sophisticated and highly complex machinery that is challenging to replicate in a classroom setting. Equipment such as self-leveling steep-slope feller bunchers and swing yarder haulers require hands-on experience to master. While simulators can help learners understand basic machine operations, they are not available for all roles and cannot fully replace practical, on-the-job training. Direct experience in real working conditions remains essential for developing the skills and competency required for safe and efficient operations.
9. Wood processing and manufacturing are highly specialised, with trade qualifications including Timber Machining and Saw Doctoring. Unlike other trade qualifications, for example carpentry and mechanical engineering, wood manufacturing trade training and experience can only be gained within the industry and through specialised industry specific qualifications and training facilities, such as Toi Ohomai TITC Waipa Campus. Discontinuing all industry training and closing trade training facilities at Toi Ohomai has the potential to have a devastating impact on the industry as a whole.

Staffing shortages for timber machinists are already occurring at mills, which is hampering growth and productivity. Without formalised industry training standards and training facilities, knowledge and skills will inadvertently be lost within the wood processing and manufacturing industry. Having the ability for trainees to train off site via block courses at Toi Ohomai for example, is most beneficial to the trainee's development, and ultimately the wider industry. This ensures consistency of training, competency assessment, and credibility of the industry qualifications.

10. Forestry crews operate in remote locations and frequently relocate, making it challenging to access learners and provide consistent training. The most effective approach is a network of roving assessors and trainers who work closely with forest harvesting contractors to deliver on-site training and assessment. This model ensures that learners receive hands-on instruction in real working conditions while minimizing disruption to operations.
11. Trained and experienced operational forestry workers are now highly skilled and well-compensated, making them highly sought after by employers. The mechanization of harvesting operations has significantly improved productivity and driven higher wage rates, reinforcing forestry as a viable and rewarding career path.
12. Forestry poses significant health and safety challenges, particularly in tree falling and breaking out, where workers operate in steep and hazardous conditions. Effectively managing these risks requires high-quality training to ensure worker safety and minimize incidents. As a high-risk occupation, forestry demands specialized training to address its unique and complex hazards. Forestry workers are 18 times more likely than the average employee to suffer a fatal workplace injury². While the industry has made substantial strides in improving safety—reducing fatalities from ten in 2013 to two in 2024—two fatalities remain too many. Continued investment in training is critical to achieving the ultimate goal of zero fatalities and ensuring every worker returns home safely

² FISC Safety Data Report 2024.

13.



Source: Forest Industry Safety Council, Forestry Data Review 2024

14. Over 95% of forestry training occurs on the job, with 80% of wood processing training also delivered on the job. Forestry employers typically arrange and cover the costs of training as part of their operational expenses. Larger businesses often employ in-house trainers. Many harvesting contractors rely on the regional Competenz assessor and trainer to deliver training. Ultimately, the costs of training are passed on to forest owners through the harvesting rate.
15. Employers play a crucial role in the forestry training system. They mentor and develop staff, providing essential guidance and support throughout the learning process. In addition to training, they offer pastoral care, ensuring workers have the necessary resources and support to succeed in their roles and continue developing their skills.

General Comments

1. We welcome the opportunity to submit our views to the Ministry of Education on the future of work-based learning.
2. We support changes in funding that allocate more resources towards the training and assessment of workers in the field. We advocate for minimizing expenditure on overheads, as well as costly office and classroom facilities that are rarely utilized by our industry
3. We welcome the Government intent to refocus vocational education on meeting the needs of industry and learners and to consult closely with industry to drive further changes.
4. The consultation paper lacks relevant information, data and insights to fully inform stakeholders of the risks and benefits of the different options. However, we think there is significant opportunity to strengthen the focus of work-based training on industry need, lift the performance of the system and ensure that high quality training becomes a key platform for productivity, economic growth and individual opportunity.
5. A key area for improvement is shifting away from the traditional classroom-based or polytechnic model towards a more workplace-based training approach for learners. This model should allow for greater management control and potentially be owned and driven by the industry itself.

6. We recommend the Independent Learning model and the tripartite training agreement between the employer, learner and training provider.
7. We note that forestry employers fund and arrange over 90% of vocational training. The system must be user-friendly for business owners to engage with, while also meeting the needs of learners working in forestry crews, as well as in wood processing and sawmilling facilities.
8. We have heard anecdotal evidence that over eleven million dollars of public funding is allocated to forestry training, yet only three million dollars is allocated to training and assessment of forestry staff. The remainder is consumed by overhead costs related to office space, classrooms, and administration. We would welcome a more efficient use of public funding, with a higher proportion allocated directly to supporting workers and employers.
9. We note industry concern regarding the ongoing reforms and near-constant changes to vocational training over the past five years. Many employers and learners have observed that the vocational training system has become increasingly complex and difficult to navigate.
10. In terms of productivity, New Zealand ranks in the bottom third of countries in the Organisation for Economic Co-operation and Development (OECD). Improving vocational training performance is critical to enhancing our economy's productivity and increasing our international competitiveness.
11. We welcome the disestablishment of Te Pūkenga and the Workforce Development Councils. These organizations required significant funding without delivering noticeable improvements in vocational training outcomes.
12. We do not support the proposed increased usage of industry levies to fund the ISB for standard setting. Introducing additional levies would create unnecessary compliance costs and complexities. A Harvested Wood Material levy already exists within the industry and could be activated if the sector sees merit. We suggest that greater effort should be placed on reducing wastage and improving funding efficiencies before considering the introduction of a new levy. Any new levy proposal should undergo extensive consultation and input from the industry.
13. We note that the definition of pastoral care in the proposal is not defined. Forestry employers often undertake extensive pastoral care initiatives for their staff including personal mentoring, assistance getting to work on time, guidance on managing finances, and encouragement of staff going through training.

Comments on Industry Skills Boards

1. We welcome the establishment of Industry Skills Boards (ISBs), which will be more accountable to the industry and have a more defined and streamlined scope compared to the Workforce Development Councils.
2. We expect the ISBs to foster stronger connections with employers than the Workforce Development Councils or Centres of Vocational Excellence.
3. We anticipate that the ISBs will operate at a reduced cost compared to the Workforce Development Councils, given their narrower and more focused scope.
4. We are encouraged to see increased industry governance but would request the minister appoint one member, not two, to allow for more industry involvement. A primary industry ISB for example may have several industries vying for board membership and smaller industries may miss out.

Which of the Two Models – Independent or Collaborative work-based learning – does your organization prefer?

We prefer the Independent Model suggested in the proposal and consider it more workable and efficient compared to the Collaborative Model alternative.

Why does the Independent Model work best for employers and learners in work-based learning?

The Independent Model is the superior option for the forestry and wood processing sector for the following reasons:

1. The Independent Model would result in minimal disruption for learners already enrolled in programs under the current work-based learning division. It offers the quickest, simplest transition with the least risk and complexity. It is the most cost-effective and efficient option.
2. This Independent Model provides the greatest clarity, reducing confusion for both employers and learners. Employers and learners would engage with only one provider, continuing their interaction with Competenz or a new industry based PTE derived from Competenz. This in turn improves system efficiency by providing a single point of contact, streamlining administration, coordinating support services and optimising resource allocations.
3. We support providers enrolling learners, offering pastoral care, and arranging education and assessment. Pastoral care is best delivered as close to the learner as possible. Leveraging the provider's distribution network for pastoral care—such as avoiding duplicate visits to remote rural worksites—makes sense. In practice, much of pastoral care is managed by employers through regular oversight of staff learning and progress.
4. We support the current Work-Based Learning Divisions of Te Pūkenga (Competenz) becoming a separate, industry-owned or private entity. Retaining the intellectual property and institutional knowledge developed over the years at Competenz offers significant advantages. Transferring Competenz to industry control would be beneficial, and we would welcome greater involvement in its direction and management. A nationwide system, managed by the industry and utilizing roving trainers and assessors with nationally consistent programs, would be easier for both large and small businesses to engage with, providing more clarity and continuity for learners. Additionally, we welcome other providers offering programs to encourage competition and increase the range of options available.
5. We welcome the opportunity to collaborate with the government to establish a forestry Private Training Establishment (PTE) with public funding.
6. We caution against the proposal to break up Competenz, as suggested in the Collaboration Option. Dissolving the organisation and reallocating staff to local polytechnics would be a significant step backward, leading to confusion and inefficiency for both employers and learners. Engaging with local polytechnics would be slow and inefficient, especially for forest owners and employers operating in multiple locations.
7. We support the ISB focusing solely on standard-setting in this model and not becoming involved in pastoral care.
8. Pastoral care should be managed as closely as possible to the learner and is best overseen by the provider and employer. In practice, most pastoral care is handled by employers on the job, and this should be better recognized and supported. The

definition of pastoral care in the consultation document is unclear, and its effectiveness is debated within the industry. There is concern that resources may be wasted in this area.

9. The transition process under the Independent Model will be relatively straightforward, with minimal disruption to learners and employers. It is crucial that apprentices and learners are not inconvenienced by these changes. Any transition must bring clear benefits to both learners and employers.

Why the forestry and wood processing sector does not support proceeding with the Collaborate Option proposal.

Implementation of the Collaborate Option would not be suitable for our industry for the reasons outlined below.

1. **Pastoral Care Ownership:** Pastoral care is best managed by the provider or employer, as it needs to be as close to the learner as possible. Allocating this responsibility to the ISB would introduce unnecessary costs and confusion without benefiting learners or employers. Industry feedback suggests a preference for a retaining pastoral care with the training provider, and adding another layer would only cause frustration.
2. **Duplication and Accountability Issues:** Assigning pastoral care to the ISB would duplicate existing efforts and create confusion over accountability for learner outcomes. The ISB's involvement in pastoral care could lead to an inefficient system with unclear responsibilities, potentially increasing costs and reducing effectiveness.
3. **Inefficient Resource Use:** If the ISB manages pastoral care, it would require creating a new service division, duplicating the existing distribution network already in place by Competenz. This would result in inefficient use of resources, particularly in remote areas where visits to logging sites are already costly and challenging. Having the training provider manage pastoral care would be more effective.
4. **Focus on Standard Setting:** The ISB should concentrate on its core responsibility of standard setting, an area with a higher likelihood of success, rather than expanding into pastoral care, which falls outside its expertise.
5. **Effective Current Pastoral Care:** The pastoral care provided by Competenz is working well. Altering this arrangement would create unnecessary disruption and add complexity, addressing a non-existent problem. We also seek clearer definitions and guidance on pastoral care within the consultation document.
6. **Funding Concerns:** Splitting work-based learning funding between the ISB and providers without additional resources for pastoral care would reduce support for training and assessment, ultimately leading to worse outcomes for learners.
7. We are alarmed at the prospect of the work-based learning division (Competenz) being dissolved under the Collaboration Model with learners transferred to regional Polytech's and existing staff scattered across the Polytech system. This would be a major blow for our industry and would result in the loss of intellectual property and knowledge built up with staff at Competenz over the years. Competenz employs a number of valuable forestry specialists, and we would not want to lose their expertise. Engaging with Polytechs for work-based learning would not be practical or efficient for employers, learners, or forest owners.

8. **Loss of Expertise with Competenz Dissolution:** We are alarmed at the prospect of dissolving Competenz under the Collaboration Model and reallocating staff to regional polytechnics would lead to the loss of valuable expertise and intellectual property built over the decades. Competenz's forestry specialists are crucial to the sector, and transferring work-based learning to polytechnics would be inefficient and impractical for employers and learners.
9. **Historical Issues with the Polytechnic Sector:** Forestry has faced ongoing challenges within the polytechnic sector. A recent example is the decision by Toi Ohomai to close its Rotorua Forestry Campus and discontinue two vital programs: the New Zealand Diploma in Forest Management (Level 6) and the New Zealand Certificate in Timber Machining (Level 4) apprenticeship. Both programs were strategically important for New Zealand's forestry industry, and their closure leaves a significant gap, creating a range of challenges to address. As a result, only one forestry diploma program remains in the country, a smaller program offered by Turanga Ararau in Gisborne. However, this program has a limited curriculum and a more localized focus, unlike the broader and more comprehensive offerings previously available at Toi Ohomai.
10. **Disruptive Transition Process:** The transition from Competenz to regional polytechnics would cause significant disruption for both learners and employers. Learners would need to establish new relationships with providers, and employers would face challenges in transferring programs and dealing with new personnel. Introducing the ISB pastoral care component would add to the confusion and frustration, setting the industry back.

Recommendations for Improving Forestry Vocational Training

We present the following high-level recommendations to improve outcomes for forestry vocational training, with a focus on future submissions. We urge the Minister to consider additional changes to enhance the model options presented.

1. **Review Compliance Costs and Administrative Delays**
It is essential to review all compliance costs and administrative delays, including the Private Training Establishment (PTE) rules and requirements. The goal should be to reduce compliance costs for industry-owned PTEs, which will be governed and held accountable at the board level by industry itself.
2. **Introduce a New Funding System for Industry-Owned PTEs**
A new funding system should be developed for industry-owned PTEs that accurately reflects the operational costs and offers greater flexibility to address industry-specific challenges, such as high-cost, low-volume training, while staying within the current funding envelope.
3. **Streamline Program Development and Funding**
The time required to develop and fund new programs should be reduced by cutting red tape and eliminating unnecessary administrative delays.
4. **Review NZQA's Role in Qualifications and Standard Setting**
A review of the NZQA's role in qualifications reviews and standard setting is necessary. All programs should be endorsed by the Industry Skills Board (ISB) to ensure they align with industry needs and are not merely designed to attract funding from training providers.

5. **Review the Standard Measure Funding System**

The current funding model is inadequate for delivering high-quality vocational training outcomes. We recommend a more equitable approach, where vocational training receives the same level of funding as classroom-based training, ensuring better outcomes for forestry training.

Signed:



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A handwritten signature in blue ink, appearing to be "J. M.", positioned below the FICA logo.



New Zealand Farm Forestry Association
Oranga Rākau Aotearoa

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A handwritten signature in blue ink, appearing to be "J. S. B.", positioned below the New Zealand Institute of Forestry logo.