



Submission to the Education and Workforce Select Committee on the Education and Training (Vocational Education and Training System) Amendment Bill

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This submission is from:

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Kind regards,

A handwritten signature in black ink, appearing to read 'James McDowall', written in a cursive style.

James McDowall

Head of Advocacy

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1. About MTA

MTA is the peak body for New Zealand's automotive industry. We represent more than 4,200 businesses that fix, fuel, buy, sell, and inspect the country's vehicle fleet – helping families and communities travel and connect safely. Our members work in the fields of general and specialist automotive repair, service stations, parts and accessories, auto electrical, new and used vehicle imports and dealerships, inspection, collision repair, and vehicle recovery.

2. Introduction

This submission is in response to the Education and Training (Vocational Education and Training System) Amendment Bill, which provides the legislative framework for the disestablishment of Te Pūkenga and the establishment of a new vocational education system.

MTA welcomes the Government's decision to return the work-based learning divisions – formerly Industry Training Organisations (ITOs) – to industry ownership. However, we submit that the process can and should be simpler for entities that are ready to shift sooner with the full support of industry. Minor changes can be made to the legislation to facilitate this and are outlined below.

3. Industry support and rationale for a direct transition of MITO

MITO, the work-based learning division that arranges training almost exclusively in the automotive and transport industries, has received significant support to transition directly from Te Pūkenga into private industry ownership as a Private Training Establishment (PTE).

MTA sees this as an exemplar of a better process that could be completed well before the proposed transition to an Industry Skills Board (ISB) on 1 January 2026. We are very supportive of the proposed dedicated ISB for automotive, but this entity would be best placed to focus on standard setting and workforce development, rather than temporarily employing hundreds of people in work-based learning divisions. It simply does not make sense and was not consulted on.

MITO has support for this transition not only from the automotive and transport industries, but also from the other industries it serves – namely extractives, drilling, gas, and logistics. Collectively, these industries employ over 180,000 people in New Zealand and contribute

approximately 6% of GDP. Each year, more than 8,000 apprentices, trainees, and students enrol with MITO, and the organisation can boast a 100% learner achievement rate.

Importantly, this submission is not a request for a carve-out for MITO specifically, but to advocate for the option to be made available to any work-based learning division that is ready to transition earlier than 1 January 2026.

With regards to setting the direction of travel and building industry support, this process began well before the Government's final announcement. In automotive, we established an Automotive Industry Taskforce that pulled together all relevant stakeholders to establish a firm and united view as to what would best serve the needs of employers, learners, and the country as a whole. Significant time and energy have already gone into building a desired outcome for MITO, and there is no obvious benefit for a 'holding pattern' under ISB ownership.

4. Proposed legislative amendments

The legislation, under section 127(1) [successor organisation], does not explicitly rule out a direct transition, but in the same vein it does not appear to make it clear that it would be possible.

We note that in the lead-up to this legislation being published, the Tertiary Education Commission (TEC) indicated that it would be possible during industry consultation – however, that assurance does not appear to have been carried through.

To clearly enable a direct transition, MTA proposes a simple modification to section 127(1) b: *“in relation to a training activity provided by NZIST on or before the transfer date, means an industry skills board or tertiary education provider that on and after the transfer date is responsible for continuing the training activity or any part of the training activity”*.

For additional simplicity, a third clause could be added to section 127(1), explicitly providing for the transition of a work-based learning to an industry-created PTE prior to the creation of the ISB, should one be set up and meet TEC and NZQA requirements.

Furthermore, section 155 could unintentionally disrupt employer and learner engagement, particularly in industries that rely heavily on apprenticeships and work-based training, such as ours. This section centralises enrolment authority with the TEC, removing the ability for employers and learners to choose their preferred training provider.

MITO has a decades-long relationship with the automotive industry and is ready to transition as soon as Government checks – such as those by NZQA – permit. The

legislation also requires divisions to redirect learners to alternative providers while continuing to deliver services themselves. Even as an interim measure, this is illogical if the ultimate goal is to support choice and foster healthy competition among industry-backed providers.

Viewed in a broader context, polytechnics are not subject to the same transition requirements, despite undergoing a full-scale disestablishment. Accordingly, we propose that section 155 be removed, and that work-based learning divisions are not required to promote other entities during the transition period.

Finally, as a legislative safety valve for any work-based learning divisions that are close to transitioning in the weeks leading up to 1 January 2026, the entity could simply remain within Te Pūkenga until it is ready to shift. This would avoid scenarios where ISB ownership might last only a matter of days or weeks – an outcome that appears quite likely under the proposed legislation. For entities that clearly require more time, ISB ownership remains an appropriate transitional pathway. To enable what is effectively an ‘extension’, an additional clause could be added to section 129(3), allowing work-based learning entities to remain within Te Pūkenga for a defined period.

5. Final remarks

The automotive industry is a key pillar of the New Zealand economy, delivering essential services that keep the national vehicle fleet moving. However, we continue to face challenges that hinder our ability to grow and sustain a skilled workforce.

Our sector is navigating a period of rapid and unprecedented technological change, making the need for relevant, responsive qualifications more urgent than ever. Work-based learning is the future of the automotive industry, offering apprentices practical, hands-on experience in real-world environments.

The industry came together to support the independent model during the Government’s final consultation round, although this did not include provision for a two-year transitional period. While we understand the rationale behind the proposed process, we believe it is not necessary for every work-based learning division. Small, targeted amendments to the legislation could enable a more streamlined transition for industries like ours that are ready and able to ‘lift and shift’ immediately.

MTA appreciates the opportunity to submit on this Bill, and we look forward to working collaboratively with Government and relevant agencies to ensure a smooth and successful transition for both employers and learners.