

Introduction

1. Thank you for the opportunity to comment on the consultation document *Proposal to improve the performance of the Government's investment in industry training*. Ako Aotearoa: The National Centre for Tertiary Teaching Excellence is an organisation funded by both central government and the tertiary education sector to support the best possible outcomes for tertiary learners. Our work towards this focuses on building a variety of strong and collaborative relationships with tertiary organisations, practitioners and learners across the entire sector including workplace learning
2. Ako Aotearoa's role is to promote good quality teaching and learning outcomes for learners. Our comments on this document therefore relate primarily to how we can ensure that the industry training system as a whole is effective and meets the needs of learners, rather than more operational elements of the proposals such as funding or moderation processes. Given this, we have no view on proposals 7, 8 and 10.
3. We note that it is intended to establish a working party to implement the final policy decisions from the review. As an organisation with experience and interest in promoting high quality practice and outcomes across all areas of tertiary education, including Vocational Education and Training (VET), Ako Aotearoa would be very interested in assisting this group with its work.

General Comments

4. Overall, Ako Aotearoa believes that the proposals in this document provide a good basis for increasing the effectiveness of our industry training system. It is positive to see that the proposals focus on strengthening the effectiveness and quality of the system, rather than radically reshaping it. We strongly support the decision to retain the core ITO roles of standards-setting and arranging training.
5. Ako Aotearoa strongly agrees with the underlying intent of these proposals to increase clarity within the industry training system, promote transferability across sectors, and ensure effective quality assurance processes. These are all areas where we believe that there is a sector-wide consensus that action is needed to ensure better performance from the industry training system, and where changes will clearly support high quality outcomes for learners.
6. We recognise that the terms of reference for this review have been to look solely at the industry training system, and that the review has focused specifically on the role of Industry Training Organisations within that system. However, it is important to recognise that industry training is only one part of the wider 'vocational' component of our tertiary education sector. Furthermore, our VET system is predicated on high levels of interaction between different sectors, which the proposals – rightly in our view – intend to strengthen. We recommend that the Ministry of Education continue to have an active focus on vocational education and training in its policy and evaluation work programmes, including consideration of how different components work together as a system.

Proposal One: *Focusing on providing excellent service and support*

7. Ako Aotearoa strongly supports the proposal to establish clear guidance regarding the expected support that ITOs will provide. This will ensure that all learners engaged in industry training have the best possible chance of developing skills and achieving qualifications. We are particularly pleased to note the reference around expected support for employers – good quality workplace learning relies on a workplace that is itself conducive to learning. Supporting workplaces to effectively facilitate learning will also likely lead to increased productivity.¹
8. We assume that the Government's expectations around support will be developed in conjunction with ITOs and industry bodies, and proceed from a strong evidence base. The expectations set forth must be grounded in our knowledge of 'what works' in regard to both workplace learning in general and specifically in industry training, as well as taking account of the nature of specific industries (e.g. one composed of many small businesses versus a few large businesses).
9. In addition to immediate benefits for teaching and learning, we also believe that establishing clear expectations around learner and employer support has the potential to promote greater discussion of the distinctive nature of workplace-based learning and how to arrange and support it effectively. Many ITOs are already actively exploring such issues, and Ako Aotearoa has supported work in this area by individual ITOs, the Industry Training Federation, and others that provide strong example of good practice. Formalising expectations will encourage further work in this area, and promote greater awareness and use of work that has already been conducted.
10. We also note that integrating learning and work is an area of growth throughout tertiary education. Clearly articulating the support that organisations should provide to both learner and employer is of relevance to all TEOs who offer programmes that include workplace-based components – not just Industry Training Organisations.

Proposal Two: *Focusing on standard-setting*

11. Ako Aotearoa strongly supports the proposed retention of the standards-setting function of ITOs. This function lies at the heart of ITOs' role in our VET system (and that of comparable international bodies).
12. Ako Aotearoa has been a strong supporter of the Targeted Review of Qualifications, and ensuring that qualifications and standards are flexible enough to reflect the different needs of learners without excessive duplication. We see the proposed changes here as being in line with the principles of the Targeted Review and therefore support them.

Proposal Three: *Higher expectations of qualification and programme completions*

13. Ako Aotearoa believes in the establishment of high standards across the entire tertiary sector, and therefore strongly supports increasing completion rates in industry training. We also particularly welcome the focus in this proposal on progression into higher level qualifications. This will not only ensure better long-term outcomes for individual learners, but creates incentives to develop strong education and career pathways through industry training (and tertiary education in general) by linking qualifications together.

¹ See, for example, Harvey, O and Harris, P. (2008). *The Skills-Productivity Nexus: Connecting industry training and business performance*. Wellington: Department of Labour and Industry Training Federation.

14. It is, however, unclear from the wording of the proposal whether these expected progressions are intended to be solely within the industry training system. In our view, progression rates must include progression to higher level qualifications in other parts of the tertiary system – a learner who completes a level 2 qualification through industry training and then proceeds to study for an advanced qualification at an ITP, for example, should count as a progression for the relevant ITO.
15. This is important for two main reasons. Firstly, it gives us a truly accurate picture of the performance of ITOs and the industry training system as a whole, and of the benefits that learners gain from their qualifications.
16. Secondly, it is important that we do not penalise ITOs for encouraging learners to follow the education path that best suits their desired outcomes. ITOs should be supporting learners to pursue the pathways that are most strongly aligned with their education and career aspirations, whether this is through the industry training system or provider-based education. Including cross-sector completions rewards those ITOs who take this learner-centric approach, rather than only those who keep learners ‘within the system’.²
17. We also recommend that the specific reference to level 3 and 4 qualifications in this proposal should be replaced with a wider reference to ‘higher level’ qualifications. This preserves the focus on moving beyond levels 1 and 2, while removing the somewhat perverse situation where moving into level 5 or higher qualifications would technically not be considered a positive outcome.

Proposal Four: *Removing the skill leadership function*

18. Ako Aotearoa does not support removing the skill leadership function from ITOs.
19. Firstly, it is worth noting that this proposal appears to proceed from the viewpoint that ITOs exist separately from their industry, by positioning them as simply one of a number of stakeholders. In contrast to other parts of the tertiary education system, however, a core principle of industry training is that ITOs are part of the industry they serve. The *Industry Training Act 1992* not only requires ITOs to include industry/employee involvement in the governance of the organisation (s6(d)), but also explicitly states that in recognising an ITO the Minister must have regard to:

the extent to which the organisation **represents** and is funded by employers of people engaged in the industry in respect of which the organisation wishes to be recognised. (s7(a); emphasis added)

and

the organisation’s intentions in relation to **the involvement of people employed in that industry** in the doing of [an ITO’s statutory activities] (s7(d); emphasis added)

20. This represents a fundamental difference between ITOs and tertiary education providers. ITOs are not stand-alone tertiary education organisations separate from employers and employees, but rather are by their nature an ‘industry group’ (in a similar way to groups such as the Law Society or the various health regulatory

² Not that the reverse of this also applies; a provider should not be penalised for a learner who completes a level 2 qualification and then chooses to pursue a level 3 qualification through industry training.

authorities). When ITOs work with the Ministry of Business, Innovation and Employment (MBIE) or the Tertiary Education Commission (TEC) this *already* represents industry working with these agencies on industry skill needs.

21. Similarly, we note that historically there have been tensions between ITOs and providers working in the same area – as referred to in the proposal document itself. It should be recognised that removing the skills leadership role exacerbates the risk that ITOs will be seen to adopt the ‘pseudo-provider’ role that has been a key source of such tension.
22. Secondly, the proposal proceeds from the basis that the ‘skill leadership’ role simply consists of communicating industry skill needs to government. In practice, however, this is a far more significant role, with ITOs using the skill leadership function to address major strategic challenges within their industries. For example, the Electricity Supply ITO has led the encouragement of women to take up roles in that industry – as recognised by both the industry itself and Ministers Heatley and Goodhew at the recent launch of its *Ultimit* initiative. Others have undertaken work into building productivity within their industries through not just skill development but effective skills *utilisation*, or on addressing cross-industry issues.
23. Thirdly, it seems reasonable to assume that industry bodies will, by their nature, often primarily focus on representing the immediate concerns of employers within their industry,³ and while they are experts in their industry, they are not necessarily experts in education or skill development. Similarly, it is fair to say that industry bodies primarily represent the interests of employers, rather than the industry as a whole (which includes both employers and employees) or wider concerns. To return to the ESITO example in paragraph 22, their industry has acknowledged that there would have been little movement on encouraging women into the sector without the ITO’s leadership.
24. In contrast, the skills leadership role for ITOs ensures that there is a body with explicit expertise in both industry and education that has a mandate to think strategically about the issues facing their industry and how skills can contribute to addressing those issues. This perspective is also more likely to focus on what will suit both employers *and* employees – to remove it is in essence to reduce the voice of current and prospective learners in skill-related policies.
25. Conversely, it is worth noting that ITOs do not have a monopoly on this role, and that other bodies will also undertake leadership roles from time to time and in particular areas. For example, ITPs should be playing key leadership roles around emerging industry clusters within their region. The ITO skill leadership role simply ensures that there is a body with an explicit duty to undertake this function at a strategic, whole-of-industry level.
26. Fourthly, we believe that establishing good quality skill standards inherently requires ITOs to take on a leadership role. For ITOs to develop truly fit-for-purpose standards they need to understand not only the current context for their industry, but also its likely future direction and the pressures facing firms and employees in coming years. This in turn requires ITOs to lead debate and discussion on the shape of their industry and how skills can and should contribute to that. To do otherwise is ultimately to risk training people for the past, leading to poorer outcomes for learners, industries, and New Zealand.

³ And most likely on the needs of larger, more influential employers compared to smaller firms.

27. Fifthly, directly engaging with industry bodies – of which there may be more than 20 in a single industry – would require a significant increase in capability and capacity on the part of both MBIE and the TEC if it is to be done effectively. Given the current climate of constraints on both financial resources and public sector staffing, it is unclear how this would be achieved in either agency. We also note that while the TEC previously maintained this capacity in the form of its Stakeholder Engagement Managers, a conscious decision was made to eliminate these roles several years ago.
28. We do, however, agree with the claim in this proposal that the skills leadership role is poorly defined. While this has given ITOs significant flexibility in terms of what activities are considered appropriate as part of this function, we believe that it would be useful to clarify what types of activity an industry can reasonably expect an ITO to be undertaking in this role. We therefore recommend that this proposal be removed, and replaced with moves to increase clarity around skill leadership. Part of this should be an explicit expectation that ITOs will work with other tertiary education organisations to carry out their leadership role.

Proposals Five and Six: *Alterations to modern apprenticeships*

29. Ako Aotearoa supports the development of a formal distinction between 'Apprenticeship' and 'Traineeship' industry training programmes. This will provide greater clarity around the purpose of different programmes, and consequently better differentiation of expected support and outcomes. This, in turn, should allow for better decision-making by learners and employers, and improved understanding of system and organisational performance by the Government.
30. We also strongly support allowing more comprehensive apprenticeship programmes to be undertaken at any age. This preserves principles of lifelong learning, and has an important equity element. Ako Aotearoa strongly agrees with the statement that "Those undertaking apprenticeship programmes should receive adequate support and service, regardless of age" (p15).

Proposal Nine: *Removing disincentives to cross-sector movement*

31. Ako Aotearoa strongly supports this proposal. It ensures that performance monitoring arrangements support positive outcomes for learners, and does not penalise ITOs or providers from recommending that a learner follow the educational pathway that best suits their needs and desires. This is also in keeping with our view noted under proposal three that educational progressions across sectors should 'count' for calculating TEO progression rates.
32. We note in passing that the *status quo* description in this proposal does raise the ongoing issue of whether employees who lose their job or move to a different role or employer should be counted as non-completions for the purposes of industry training.

Proposal Eleven: *Reviewing unit-standard quality assurance processes*

33. Ako Aotearoa supports the proposed review by NZQA of its requirements around unit standards. However, we would emphasise that this review must be done in concert with all users – ITOs, providers, learners and employers – and that the starting point for this review must be what best suits the learner (and their current and prospective employers); not what is easiest for providers, ITOs, or government agencies.

34. We support the intention to broaden unit standards by increasing the ability to assess in a variety of different settings, and moving away from highly specific and specialised ‘task’-based standards in favour of broader ‘skill’-based standards. However, where there are clear and substantive reasons for requiring specific settings to achieve a standard,⁴ it is important that these are maintained. The guiding principle here should be that achievement of a unit standard genuinely reflects the capability of a learner to use relevant skills in an authentic setting.

Conclusion

35. In conclusion, Ako Aotearoa would like to reiterate our positive view of the proposals put forward in this document. We believe that most of these proposals are useful and will strengthen our industry training system to the benefit of learners and the industries in which they work. Our main significant reservation is with the removal of the skills leadership role, which we believe will result in poorer outcomes for trainees for no apparent gain.
36. We look forward to the progress of these proposals, and would like to repeat our offer to support and assist the working party that will implement the final policy decisions stemming from this review.

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⁴ For example, it is reasonable for unit standards that relate to demonstrating rescue procedures in particularly dangerous settings (such as whitewater or mountaineering environments) to require that assessment occurs in such settings.