Investment Plan 2008-10

Introduction

The Government's Tertiary Education Strategy 2007-2012 (TES) and Statement of Tertiary Education Priorities 2008-2010 (STEP) have validated the distinctive contribution of ITOs, while providing guidance on the key shifts required by the ITO sub-sector to achieve the government's priority outcomes.

This Investment Plan has been developed by the NZ Motor Industry Training Organisation (Inc) (MITO) in association with the automotive and industrial textile fabrication industries.

The development of our Investment Plan has been aligned to:

- Our Charter
- Our Profile (2007-09)
- Our Industry Skills Strategy (December 2006)
- Developments in our business environment
- Industry education and training needs for skill development and productivity
- MITO Board direction on strategic priorities and capability requirements.

Plan Context

MITO is the key interface between the automotive and industrial textile fabrication industries and the tertiary education sector.

We are committed to lifting the quality and performance of industry training to support a more highly skilled workforce, extending and expanding career pathways and providing innovative and effective skills leadership.

Our Mission

MITO improves the productivity and performance of the industry groups we serve by identifying and meeting their current and future skill development needs to international standards.

MITO's distinctive contribution to New Zealand's tertiary education system is characterised by:

- The approach we take to meeting our legislative role as an industry training organisation
- The relevance of the qualifications and services we offer
- The strong organisational values that underpin everything we do
- The distinct industry groups we serve.

Showcasing Our Industries

The Motor Industry

Key features of the motor industry are that:

- It is a major employer with 62,400 people – just under 4% of total employment in New Zealand[1]
- There are 14,300 businesses – with an average number of 4.4 employees per business[2]
- The regional profile of employment in the motor industry broadly mirrors that across all industries in New Zealand, reflecting that the industry has a domestic focus and businesses are located in the communities they serve[3]
- New Zealand has one of the highest rates of car ownership in the world. The total vehicle fleet was just under 4 million vehicles as at June 2006[4]
- New Zealand's vehicle fleet is old and ageing – the average age of a car in 2006 was 12.1 years up from 11.6 years in 2001[5] However, the latest technology is being imported into the country, and the diversity of vehicle brands is increasing
- Automotive retail sales were over $17bn in 2006 – 28% of total retail sales.[6]

The Industrial Textile Fabrication Industry

Key features of the industrial textile fabrication industry are that:

- It is a small, niche manufacturing industry, with around 600 businesses and 3,600 employees in 2006[7]
- Despite slow (or negative) employment growth in much of the industry in the recent past, employment in the canvas worker occupation grew much more quickly than across all occupations in New Zealand over the period 2001 to 2006 – 31% compared with 15%[8]
- It involves fabric manufacturing and the design and creation of fabric solutions for a wide range of applications
- Design technology and sophisticated engineering characterise the success of this industry in international competitions

1 Data obtained from Statistics New Zealand's Census 2006
2 Data obtained from Statistics New Zealand's Census 2006
3 Data obtained from Statistics New Zealand's Census 2006
4 Data obtained from Land Transport NZ's motor vehicle registration statistics 2006
5 Data obtained from Land Transport NZ's motor vehicle registration statistics 2006
6 Data obtained from Statistics New Zealand's Retail Trade Survey, June 2007 quarter
7 Data obtained from Statistics New Zealand's Business Frame Survey, 2006
8 Data obtained from Statistics New Zealand's Census 2006

- Export plays a key role in the demand for industrial textile products with export values almost doubling between 2001 and 2006.[9]

Responding to the Challenges

Demographic and Employment Profile

The demographic and employment profile of the motor and industrial textile fabrication industries, compared with all industries in New Zealand, are that:[10]

- They have a younger age profile than that across all industries
- The industry workforce is ageing, but at a similar rate to that across all industries
- They have a much higher proportion of males[11]
- They are less ethnically diverse, with an over-representation of Europeans[12]
- Part-time work is relatively uncommon.[13]

The tight labour market has resulted in labour and skill shortages. This is reflected in the findings of the Department of Labour's (DoL) 2005 and 2006 studies into skill shortages in selected trade occupations, where motor industry occupations featured strongly.[14] More recent data from DoL's new occupational indicators tool show continuing skill shortages in key occupations within the motor industry.

While the industrial textile fabrication industry has been less affected by skill shortages than the motor industry, fabric finishing specialists, furniture upholsterers and sewing machine technicians feature on the DoL's 2007 "immediate skill shortage list".[15]

Our Trainee Profile

Key Features[16]

- Females are under-represented (2.4% in 2006, compared to industry workforce demographics of 23%)
- The proportion of Maori and Pacific trainees largely reflect their representation in the workforce
- Almost two-thirds (64.6%) of our trainees in 2006 were in the 20-29 age group, a much higher proportion than in MITO's industries (21%) and across all industries (18%)
- Our trainee ethnic profile (85.3% European) reflects the over-

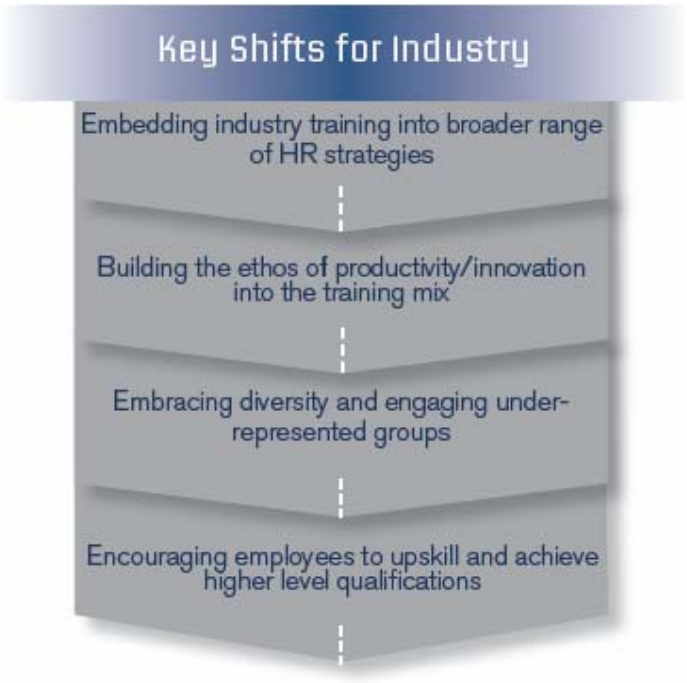
9 This relates to the "textile fabrics; impregnated, coated, covered or laminated; textile articles of a kind suitable for industrial use" category of Statistics New Zealand's Overseas Merchandise Trade survey 2001-2006. Export values for this commodity group grew by 97% between 2001 and 2005, compared with 6% across all commodities
10 Data obtained from Statistics New Zealand's Census 2006
11 In 2006, 77% of people employed in MITO's industries were men compared with 53% across all industries in New Zealand. 99% of mechanics, machinery mechanics, panel beaters and auto electricians were men. Women are therefore generally employed in the occupations in the industry with more generic skills, such as office managers, general clerks, forecourt attendants etc
12 In 2006, 73% of people employed in MITO's industries were European compared with 69% across all industries in New Zealand
13 In 2006, 86% of people employed in MITO's industries were employed full-time compared with 77% across all industries. 95% of mechanics, 97% of machinery mechanics and 94% of panel beaters were employed full-time. The low incidence of part-time work is likely to reflect the lack of women in the industry, or vice versa
14 Department of Labour – Trade Occupation Shortage Assessment Reports, February 2005, and Skill Shortages in the Trades: the 2005 Picture, June 2006. The motor industry accounted for four of the 16 occupations assessed in 2005, and two of the 14 occupations assessed in 2006
15 Department of Labour – Immediate Skill Shortage List, July 2007
16 2006 Census figures and TEC Baseline Monitoring Report: New Zealand Motor Industry Training Organisation Incorporated, June 2007

representation of the European ethnic group in MITO's industries (73% compared with 69% across all industries).

Qualification Attainment

Key Features

- In 2006, 63% of trainees aged under 25 were enrolled in qualifications at Level 4 or above, compared to 39% across all industry sectors
- Completion rates for females, Pacific and Maori trainees still lag behind the average for all industry trainees in MITO's areas of coverage
- Currently, 67% of trainees complete within 110% of the expected time, compared to 76% of all ITO trainees
- 24% of people working in MITO's industries hold a Level 4 certificate compared with 11% across all industries. This qualification penetration is even more pronounced amongst certain occupations – automotive electrician (52%), motor mechanic (46%), machinery mechanic (52%) and panel beater (45%)[17]
- There is a low uptake of higher level qualifications. For example, only 4.2% of people working in MITO's industries hold a Bachelor degree or higher, compared with 18.5% across all industries.[18]



17 Data obtained from Statistics New Zealand's Census 2006
18 Data obtained from Statistics New Zealand's Census 2006

MITO's Ongoing Commitment

MITO continues to deliver positive training outcomes. We consistently meet or exceed our STM enrolment targets and have achievement rates (as measured by the average credits achieved per trainee) and completion rates that exceed the ITO sector average. Moreover, our completion rates among trainees and modern apprentices aged under 25 exceeds MITO's average completion rate.

We have strong industry engagement which is reflected in the proportion of employers providing industry training and in the level of industry cash contribution.

Our Industry Skills Taskforce comprises industry leaders with wide expansive networks. They have been influential in developing our education and training agenda and providing strategic advice and oversight for our Industry Skills Strategy. During 2008, the Taskforce will be expanded to include TEO representation.

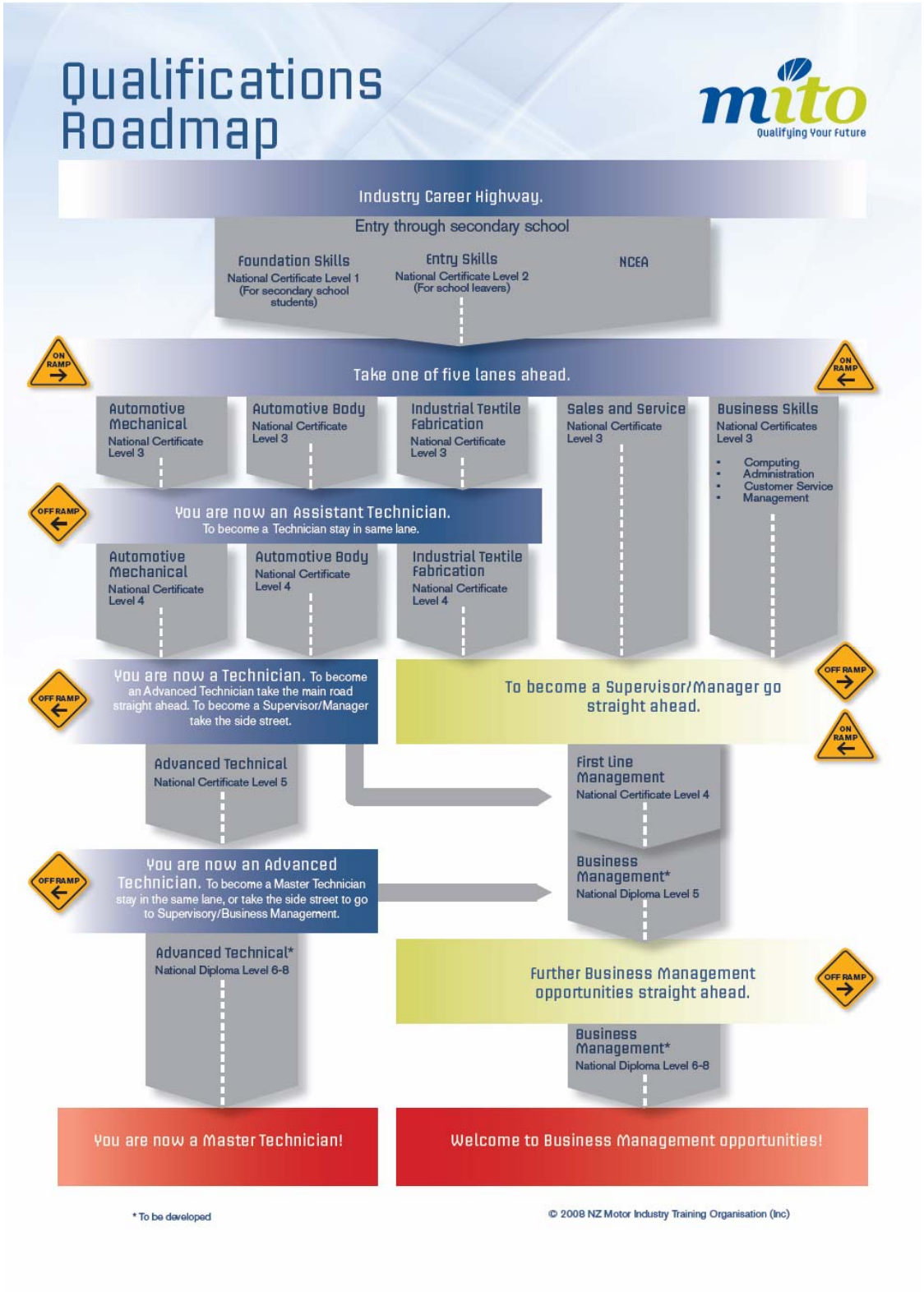
Our industry, technical and skills advisory groups provide input and advice into our qualification reviews and development. National training experts from our major franchise groups provide ongoing professional development for polytechnic and institute of technology tutors at our annual Automotive Educators Conference.

We are the largest Modern Apprenticeship Programme Co-ordinator and have consistently exceeded our national targets, achieving high completion and low termination results.

We have worked closely with industry and other TEOs to develop a qualifications roadmap which provides technical, administration and business management pathways.

Our secondary school programme, StartUp®, enables a seamless transition from school into the workforce. Students can complete the National Certificate in Motor Industry (Foundation Skills) (Level 1) while still at school.

The introduction during 2006 of a National Certificate in Motor Industry (Advanced Technical) (Level 5) with strands in Automotive Electrical and Mechanical, and Collision Repair has enabled our qualified technicians to advance their technical and supervisory management skills.


Qualifications Roadmap
mito
Qualifying Your Future
Industry Career Highway.
Entry through secondary school
Foundation Skills
National Certificate Level 1 (For secondary school students)
Entry Skills
National Certificate Level 2 (For school leavers)
NCEA
ON RAMP
Take one of five lanes ahead.
ON RAMP
Automotive Mechanical
National Certificate Level 3
Automotive Body
National Certificate Level 3
Industrial Textile Fabrication
National Certificate Level 3
Sales and Service
National Certificate Level 3
Business Skills
National Certificates Level 3
Computing
Administration
Customer Service
Management
OFF RAMP
You are now an Assistant Technician.
To become a Technician stay in same lane.
Automotive Mechanical
National Certificate Level 4
Automotive Body
National Certificate Level 4
Industrial Textile Fabrication
National Certificate Level 4
OFF RAMP
You are now a Technician. To become an Advanced Technician take the main road straight ahead. To become a Supervisor/Manager take the side street.
To become a Supervisor/Manager go straight ahead.
OFF RAMP
ON RAMP
Advanced Technical
National Certificate Level 5
First Line Management
National Certificate Level 4
OFF RAMP
You are now an Advanced Technician. To become a Master Technician stay in the same lane, or take the side street to go to Supervisory/Business Management.
Business Management*
National Diploma Level 5
Advanced Technical*
National Diploma Level 6-8
Further Business Management opportunities straight ahead.
OFF RAMP
Business Management*
National Diploma Level 6-8
You are now a Master Technician!
Welcome to Business Management opportunities!
* To be developed
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Audit New Zealand's recent audit endorsed MITO's governance, strategic management, financial management and management of training.

Our financial performance and position reflects prudent management of our resources and our accumulated fund policy will enable MITO to continue to operate in the event there is any discontinuation or reduction in government funding.

Growing expectations around our skills leadership responsibilities mean we need to enhance our research and technical advisory capability and engage more fully with a wider range of stakeholders.

Shaping Our Strategy - Key Shifts

Making a Difference - Strategic Priorities