



INDUSTRY CONSULTATION ON THE STRUCTURE OF WORKFORCE DEVELOPMENT COUNCILS



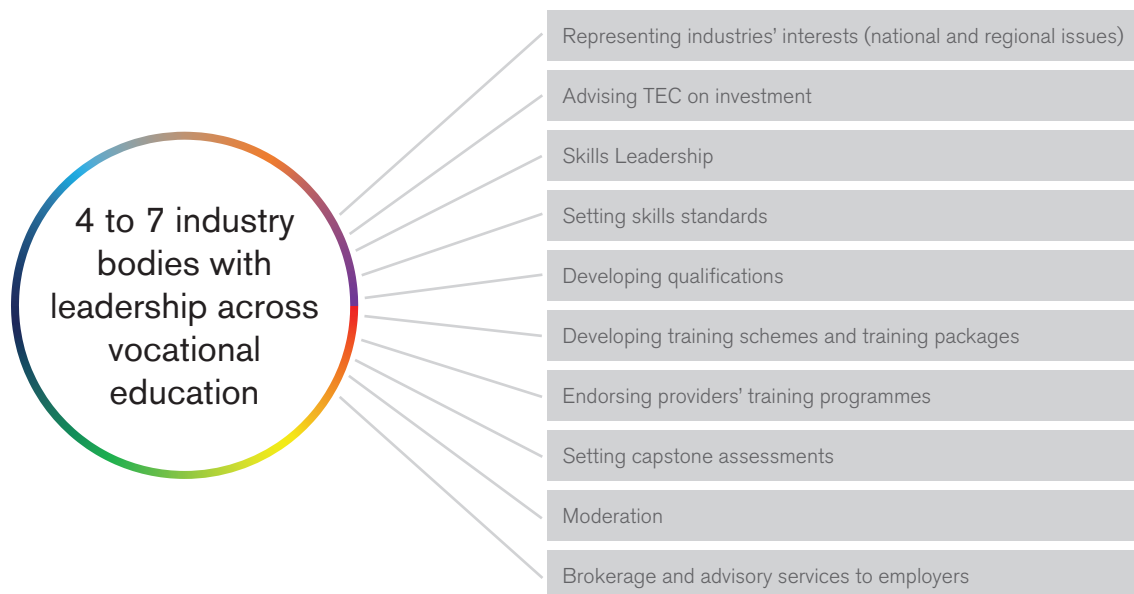
September 2019

INDUSTRY CONSULTATION ON THE STRUCTURE OF WORKFORCE DEVELOPMENT COUNCILS

Education Minister Hon Chris Hipkins announced the Government's final decision on the proposed Reform of Vocational Education on 01 August 2019.

Four to seven industry-governed Workforce Development Councils (WDCs) will be established, with accountability for the standard setting function currently carried out by MITO. This includes qualification development, unit standard development and moderation. It does not include workplace-based training and support: this will transfer to the provider network as part of the transition to the new vocational education system.

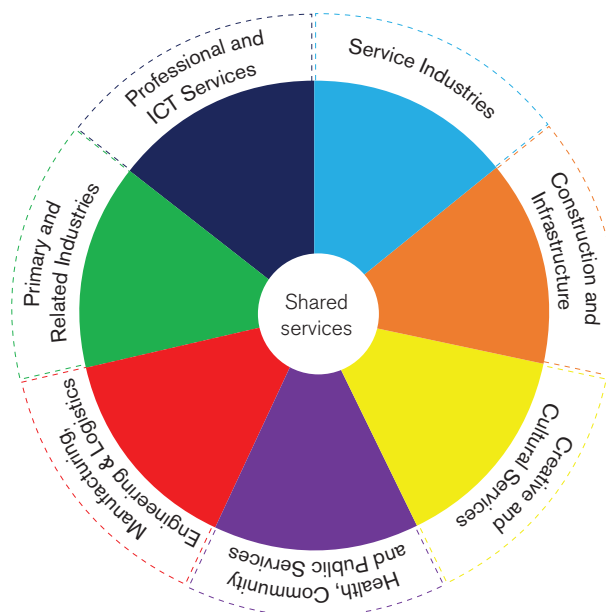
On 17 and 18 September, MITO facilitated three separate workshops with corporate employers, the MITO Industry Council, and industry association leaders to explore potential structures for WDCs.



What we heard: Configuration

In terms of the structures for WDCs, most support was for seven WDCs with industry groupings aligned to modified Vocational Pathways as follows: (1) Construction and Infrastructure; (2) Creative and Cultural Services; (3) Health, Community and Public Services; (4) Manufacturing, Engineering and Logistics; (5) Primary and Related Industries; (6) Professional and ICT Services; (7) Service Industries (or People Services).

There was agreement that having a model that supported shared services across all WDCs had merit. The logic for supporting shared services was it would enable better use of analytics and sharing of data, stronger leadership and guidance, cross fertilisation of intelligence, provide cost savings by reducing duplication, and ensure a global picture across all WDCs. It could also potentially provide options for combined back office functions and centralised TEC funding advice.



There was some support for further modifications of the WDC structure: (a) replacing the Professional and ICT Services WDC with a Core and Shared Generic Skills WDC, which would cover, for example, numeracy and literacy, health and safety, ICT, management; (b) merging the Construction and Infrastructure pathway and the Manufacturing, Engineering and Logistics pathway.

Industries were less concerned about the model and more about the outcomes and how well their needs would be served by whichever WDC had coverage for them.

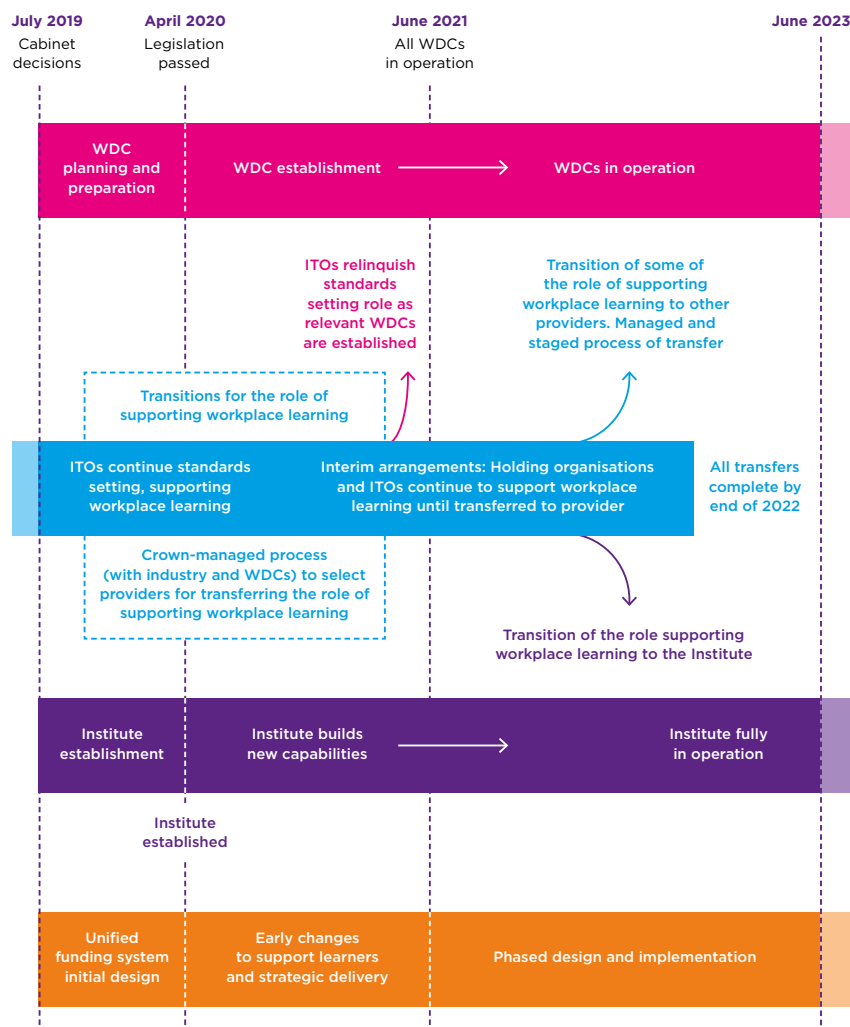
What we heard: Governance

There was broad support for WDCs to be governed by a skills-based Council established through a nomination process through industry advisory groups (or similar). There was agreement that having a common constitution and rules for all WDCs had merit.

There was also some support for having one purely skills-based Council governing across all WDCs drawn from WDC-specific representative advisory groups (or similar). This option could also include some independent councillors. The advisory groups would need to provide clear direction on expected outcomes through a charter or similar.

What we heard: Transition

MITO will be transferring responsibility for the following industries: Motor; Industrial Textile Fabrication; Commercial Road Transport (including State Sector and New Zealand Defence Force for road transport-related operations); Stevedoring and Ports; Road Transport Logistics and Warehousing; Freight Forwarding and Distribution; Extractives; Drilling; Gas; and Resource Recovery. It is extremely unlikely that all these industries will transfer to one WDC or to one provider; therefore, transition planning is crucial to maintain support and ongoing services for every sector throughout the process.



The WDC construct will be finalised before the end of 2019. Transition planning will take place between November 2019 and January 2020. Start dates for WDCs will be industry's choice; however, TEC will have a cross-WDC view and ensure alignment across the sector.

The transition plan will cover both transition of functions to WDC(s) and of learners to provider(s). There was agreement that transition plans should include the protection of ITOs employees and the culture of care that characterises the MITO organisation. Careful consideration needs to be given to the seamless transfer of learners with data transfer of learner records and reports, retention of historical IP and uninterrupted pastoral care essential. Clear and accurate communication through appropriate channels was also highlighted.

For transferring functions to WDCs there was an appetite for "merger then refinement" whereby contributing ITOs work together within the newly formed WDC in the first instance, with the final organisational structure of the WDC to be determined as a second step.

A proposal to ensure the best outcome for transferring the arranging training function to providers was for MITO to continue to work in parallel with providers while work was underway to consolidate systems and build capacity and capability.

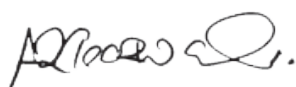
What we heard: Legacy Standards

Legacy standards that need to be preserved in the new system are industry relevant qualifications, responsive and flexible training models, dedicated pastoral care, staff competence and excellence, proactive engagement with industry, consultation loops, quality (eLearning) materials, great consultation, literacy and numeracy support, valued partnerships, adaptability. MITO will highlight the importance of these legacy standards in the transition plan.

Action Plan

From these meetings, MITO will prepare a summary of recommendations on structures for WDCs to present to the Ministry of Education.

Following that, the Ministry of Education will prepare advice for Minister Hipkins, who will confirm the structure for WDCs by early November 2019. WDCs will be established by Order in Council between April 2020 and June 2021.



Andrew Clearwater
CHAIRMAN



Janet Lane
CHIEF EXECUTIVE