

Aide-Memoire: Update on the intentions of Transition Training Organisations

To:	Hon Chris Hipkins, Minister of Education
From:	Gillian Dudgeon
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We now have more clarity about the intentions of the Transition Training Organisations

1. This aide-memoire updates you on the status of the RoVE Transitional ITOs (TITOs) transition project. TEC have further clarity about the number of learners and where they will transition to as well as what the TITOs are intending to do with their surplus funds.
2. This paper will be considered for proactive release with any redactions in line with the provisions of the Official Information Act 1982.

Arranging training is on track to be transitioned by 31 December 2022

3. Overall project status remains as amber. Four of the eleven TITOs have had their transition plans approved and these four will complete their transitions by 4 October 2021. TEC is however aware Skills Active Aotearoa, Careerforce, and HITO will likely not have final transition plans submitted by the requested date of 30 September. In addition, two of the TITOs, Skills Active Aotearoa and The Skills Organisation (Skills Org), are considering transitioning a portion to new Private Training Enterprise's (PTEs) and taking on some or all of their arranging training responsibilities.
4. Under the MOU between Te Pūkenga and Te Wānanga o Aotearoa, responsibility for arranging training and related learners for a few specific industry programmes will have likely transitioned to Te Wānanga o Aotearoa by Dec 2022.
5. Whilst TEC expects all transitions will be completed by 31 December 2022, this being the legislative date, after discussions with Transitional ITOs it is anticipated this will be completed well before the end of 2022.

Majority of learners will transition into Te Pūkenga

6. TEC estimates that, by December 2022, the responsibility for managing the arranging training of between 83%-91% of total learners across all the TITOs will have transitioned to Te Pūkenga, with most transitions occurring in the latter half of the year. Currently PTE's represent approximately 13% of vocational provision so the share for PTEs from arranging training seems consistent with this.

7. As previously advised in the August RoVE monthly Ministers report on 2 August 2021, Competenz transitioned all arranging training and related learners. 500 learners in the Retail Butchery sector transferred to the PTE Skills4Work. All other learners (~9,200) transferred to Te Pūkenga.
8. As also advised in that report, NZMAC transitioned arranging training for all its learners (~600) to the newly established PTE Marine and Specialised Technologies (MAST) Academy on 2 August 2021
9. To date, two other final transition plans have been approved by the TEC Board. Connexis will transition on the 01 September and BCITO will transition on the 04 October 2021.
10. The following table sets out the likely timing of each transition plan and the location and number of learners involved.

TITO	Current proposed Transition Date	Transition location and number of learners*		Comments
		Te Pūkenga	PTEs	
Competenz	Aug-22	~9,200	~500	Completed
NZMAC	Aug-22		~600	Completed
Connexis	Sep-22	~2,800		Completed
BCITO	Oct-21	~20,000		Approved by TEC Board
MITO	S9(2)(b)(ii)			
Primary ITO				
Service IQ				
Skills Org				
Skills Active				

Careerforce	S9(2)(b)(ii)
HITO	
TOTAL	

**The above table does not include forecast outcome of work underway by Te Wānanga o Aotearoa (TWOA) to look at potentially transferring some arranging training directly from a TITO to TWOA. Te Pūkenga is supporting this approach with later moving TITOS.*

11. Skills Active has indicated it wishes to become a PTE. S9(2)(g)(i)

12. s9(2)(b)(ii) and s9(2)(g)(i)

13. Future updates on the status of the TITO final transitions will be provided in RoVE’s monthly Ministers update.

14. Once approved by the TEC Board, we will be proactively and progressively releasing final TITO transition plans (subject to appropriate redactions) in order to promote and demonstrate transparency.

Surplus reserves will be used for the benefit of industry and learners

15. As part of their transition planning each TITO, its board and relevant industry stakeholders have considered or are considering what to do with their surplus reserves. TEC estimates that by Dec 2022 there will be between S9(2)(b)(ii) across the ex-TITO industry trusts.

16. To date, the four TITOs which have had their transition plans approved have each adopted varying approaches. In discussions with the remaining TITOs it is likely that they will follow the general patterns that have been set by the early mover TITOs.

S9(2)(b)(ii)

18. Future updates on TITOs intentions will be provided in RoVE’s monthly Ministers update as they become approved by the TEC Board.

We continue to work with stakeholders and TITOs

- 19. Relationships with stakeholders are being actively managed to ensure transparent, robust and fair decision making that meets the needs of learners, employers and industry.
- 20. TEC is working with Te Pūkenga to support encouraging transition to occur in advance of the last quarter of 2022.
- 21. We continue to actively facilitate and support the TITOs to develop and have their transition plans approved.



Gillian Dudgeon
Deputy Chief Executive, Delivery
Tertiary Education Commission

14 September 2021

Hon Chris Hipkins
Minister of Education

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