ITO sector update

Issue 2015-3
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Investment Plan Approvals

The Board has now approved all 11 ITO Plans for 2016-2017 (and all before Xmas Eve!!). For those that were approved earlier in the year, you will be receiving an additional letter in the next week or two confirming Sector Leadership Funding as approved by the Board at their October meeting.

New Zealand Apprenticeships

You will remember I advised the Minister has agreed to extend complex arrangements for apprenticeships to the end of 2017. In addition we have released the Code of Good Practice for New Zealand Apprenticeships which sets out the expectations of all parties. Given the publication of the Code, the Minister has dropped the requirement for four visits per year for apprenticeships from 2016.

We see this as a positive move which will allow ITOs to ensure support is tailored to the individual needs of each apprenticeship and employer as they move through the apprenticeship. ITOs will need to show they can respond appropriately to the removal of an input-based requirement – accountability remains with ITOs to ensure apprenticeships continue in training, achieving credits and ultimately successfully completing.

JVAP Applications

We have received several applications for JVAP funding in relation to the 3 + 2 initiative. It is great to receive these and we are in the process of getting these contracts under way. We understand that many of you are considering making an application so we look forward to receiving these on an ongoing basis. As previously noted, the priorities for the JVAP funding are 3+2, literacy and numeracy and priority groups, particularly around best practise. These priorities are in addition to the merger intention of the fund.

Māori/Pasifika/Literacy and Numeracy

As you will have seen in your Funding Approval letters, we will be providing some further information on the engagement we would like to have with you on Maori and Pasifika learners and literacy and numeracy. Our Board recently approved our Maori/Pasifika Strategy, Tu Maia and we would like to start early engagement with you on this. While many of you supplied information on strategies and approaches in relation to priority groups, we would like to better understand what this means for learners on the ground, and how your offerings impact on individual learners and workplaces. We will be writing to you formally in the next month or so on this.

We ensure New Zealand's future success.

Data Snapshot at 31 October 2015

Our snapshot of the year to date as at 30 September 2015 showed under-delivery across the sector of $3.5 million (excluding offsets). We will look again at volumes as at 31 October. Where under-delivery is still a concern (greater than 2.5%) we will be writing to you to propose a Plan amendment to adjust the December payment. We need to be proactive about this and would value early engagement if you think that under-delivery is a real concern. The case for further funding and flexibility in the Industry Training Fund needs to be supported by minimal recoveries at year end.

2015 wash up recoveries – January and March

Just a reminder there will be an interim wash-up of raw STM delivery as at 31 January 2016, with any interim recoveries due at the beginning of March 2016. This wash-up will include over-duration and over-enrolment offsets, but not the under-achievement offset. There will still be a final wash-up as at 31 March 2016, which will include under-achievement. Following the final wash up in March, we will refund you if it turns out we have recovered too much. We encourage you to please make sure that your data in the ITR is as current as possible at all times.

Payment date changes in 2016

As mentioned in your 2016 funding approval letters, monthly payment dates will change in 2016 from the 1st of each month to the 2nd Wednesday of each month. This will provide opportunities for us to allow timely monitoring and be more responsive to Plan amendments (both increases and decreases) when required.

Training agreement signed dates

Some ITOs have raised the issue of training agreement signed dates being later than the actual date the training started. Where the training agreement signed date (the date the paperwork was signed) is later than the actual participation start date (the date the training started), the training agreement signed date entered into the Industry Training Register may be back dated to match the participation start date. To do this, the ITO must have evidence that the training actually started on the participation start date. Such evidence may include credit achievement and/or contractual agreements with the employer. We are updating our operational policy and the ITR User Guide to reflect this.

Please note that ITOs must not claim funding for recognised prior learning credited to an industry trainee or apprentice.

Data reporting

Over the next few months we will begin looking at data in the ITR with a view to ensuring the information is complete, consistent and useful. We are being asked to report more regularly to the Minister and the Board on industry training and apprenticeship information. To do this, the information needs to be meaningful and helpful across all fields. For example, we have found that 2,500 STMs in 2015 are not aligned to any industry. We would expect that industry codes are complete on every training agreement in the ITR to enable accurate reporting.

As we develop our investment approach, accurate and complete information becomes more critical in our decision-making.

Maternity Cover

As many of you know, I am due to finish up here at the end of October for 6 months, embarking on the life changing journey that is children! I will be back at the end of April 2016. Seth Campbell (currently the University Investment Manager for Lincoln University and the University of Canterbury) will be stepping into a leadership development opportunity and taking the reigns for 6 months. Investment Managers will continue to be your key contact. Jane Duncan (Principal Advisor) and Julie Knight (Principal Analyst) are also available to support with technical or system-wide queries.