

# Skills Active Aotearoa Limited

## Final Transition Plan

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## *Submitted as separate files*

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# Introduction



This plan details Skills Active Aotearoa Limited's approach to transitioning all current activities to receiving providers by the government's mandated transition of ITO functions under the RoVE transformation and the Education and Training Act 2020.

This final iteration of the transition plan has evolved from the first iteration of the plan submitted to the Tertiary Education Commission (TEC) in June 2020. Following a robust process of engagement and analysis Skills Active is proposing to transition its functions to a newly established PTE.

This plan does not include Skills Active's transition arrangements regarding standard-setting functions. These were developed and approved by TEC in mid-2021.

## Skills Active in the current state

- Skills Active Aotearoa Limited (Skills Active) has a diverse range of programmes within its gazetted coverage, including the following industries: Sports, fitness, recreation, and performing arts industries. This includes the planning, management, promotion and delivery of sport, exercise, community recreation, outdoor recreation, diving (excluding aquaculture), snowsport and performing arts.
- Skills Active currently arranges training in all but one of these (Dive).
- Skills Active budgeted to employ 50 staff (48 FTE) in the budget year 2021 across the arranging training, standard-setting and organisational support functions.
- The Skills Active Head Office is in Wellington, with staff based throughout the country.
- In 2021 Skills Active has enrolled 4,284 trainees or apprentices from 965 distinct employers enrolled in 68 programmes or variants of programmes leading towards 48 qualifications and covering 8 qualification groupings at 20 October 2021. The average number of learners enrolled in each Skills Active programme by an employer is 2.5.
- Skills Active anticipated full-year consumption of 1,138 ITF STM and 402 NZA STM in 2021.
- Skills Active is currently approved to deliver 66 Programmes of Industry Training and has approximately 340 resource items available to support training and assessment.

- Skills Active has not introduced any significant change in the service models used to support arranging training from those described in detail in the initial Transition Plan submitted in June 2020. Skills Active has strengthened its approach to supporting apprenticeships with the addition of a trainee support administration team and the addition of an apprenticeship specialist role. This was in response to a significant increase in apprenticeships enrolment (sitting at over 1200 up from an annual average of 80).
- Skills Active provides support and resources for the use of vocational standards through curriculum and Gateway delivery in Schools (Aquatics), as well as through bespoke youth awards across sport, outdoor recreation, entertainment and community recreation.
- Skills Active offers a professional toolbox through ActiveCV to develop a portfolio of qualifications, work history, goals and personal statements. This also enables people to manage their continuing professional development information, apply for industry jobs, and formally verify their experience and qualifications.
- Skills Active provides the national registration, accreditation and audit functions and systems for approved training across several industries through NZRRP and Qualworx.
- Skills Active provides a catalogue of assessment and learning support resources to schools and providers for use with non-Skills Active learners on a semi-commercial basis.
- A summary of Skills Active's current business is provided in Appendix 2.

# Section 1: Transition Approach

## 1.1 Overview of transition approach

### How the transition will occur and to where

- Skills Active does not intend to progress the mandated transitions on the basis indicated in the initial transition plan submitted in June 2020.
- Skills Active will complete the transition of arranging training, other activities and support functions to a Skills Active Private Training Establishment (SKILLS ACTIVE TE MAHI AKO LIMITED) [8256202] to arrange training for the sport, exercise, community recreation, outdoor recreation, snowsport and entertainment sectors. The transition is conditional on achieving NZQA accreditation for SKILLS ACTIVE TE MAHI AKO LIMITED (SKILLS ACTIVE TE MAHI AKO) as a PTE. The application for accreditation is planned to be submitted to NZQA in February 2022, ahead of an October 2022 transition.
- During the Reform, Skills Active consulted with its various industry bodies, employers, and learners about what will best serve their tailored and specialist needs in a future vocational setting. Strong feedback from its sectors and employers led to the development of an application as a dedicated PTE.
- Skills Active is a charitable entity under the Charities Act 2005. Its constitutional aim is to meet the education and training needs of the sport, exercise, community recreation, outdoor recreation, ski and any additional sectors (e.g. entertainment sector), as well as Māori participating in the industry sectors (Nga mahi a te rēhia sector). SKILLS ACTIVE TE MAHI AKO is currently a New Zealand registered limited liability company and a wholly-owned subsidiary of Skills Active.
- Skills Active will undertake a managed change process that aims to reduce disruption, uncertainty and impacts on staff, learners and clients. Ahead of the 2022 transition date, staff and assets that support the delivery of work-based learning will be transferred to SKILLS ACTIVE TE MAHI AKO. A shared service structure will remain within Skills Active Aotearoa, and a service agreement between the organisations will be enacted. All identified staff relating to the specified arranging training activities of Skills Active Aotearoa will be offered corresponding roles with the receiving provider on like terms and conditions. The specified activities will effectively be transferred as a going concern through a transfer of relevant assets and liabilities and a service and support agreement.

- Skills Active transitioned standard-setting functions to Toi Mai WDC in October 2021. This was achieved through the transfer of documents, files, data and operating policies/processes along with comprehensive handover documentation outlining key information and history for the sectors. Existing Skills Active employees were supported in preparing and applying for WDC roles. Skills Active will transition arranging training, other activities and support functions to the receiving provider in late 2022.

### **Changes from the Initial Transition Plan**

- The most significant change in the transition intention is to pursue the establishment of SKILLS ACTIVE TE MAHI AKO as a private training establishment (PTE). Key differences to the initial transition plan include:
  - The 2020 transition plan proposed a formalised relationship with Te Pūkenga through a contract for service model, through to 2025, to guarantee an ongoing and unbroken level of support for our industries, via a single delivery mode. At the end of this period, we proposed to embed into the Te Pūkenga network, potentially as a subsidiary in the first instance, for a further period.
  - The current transition proposal seeks to transfer the responsibility for arranging training to a PTE set up by Skills Active Aotearoa.
  - The original transition plan had a transition date of December 2022. The current transition plan proposes a transition date of October 2022 to ensure any project delays are managed within the legislated timeframes.
- Skills Active has also pursued a relationship with Te Wānanga o Aotearoa. Skills Active has considered certain arranging training functions transitioning to Te Wānanga o Aotearoa. Skills Active has supported exploration of such opportunities with Te Wānanga o Aotearoa and has ensured that industry stakeholders were fully informed about options to transition to Te Wānanga o Aotearoa and other providers.
- Skills Active has made a formal commitment to reducing duplication and enhancing outcomes for the sector and education system by promoting collaboration across its work-based training and the provider-based provision, as outlined in the SKILLS ACTIVE TE MAHI AKO Charter. Skills Active is formalising relationships with Te Pūkenga and Te Wānanga o Aotearoa that to work collectively and in partnership with industry to meet current and future needs, including –
  - Learning and training pathways (within and between providers)
  - Co-design of programmes
  - Tailoring resources to sector needs
  - Strengthening pastoral care and outcomes for learners
- Relevant correspondence from Te Pūkenga and Te Wānanga o Aotearoa are provided in Appendix 14.

- Skills Active intends for this collaborative approach to extend to other private and public providers within the vocational education and training system as SKILLS ACTIVE TE MAHI AKO becomes operational.

### **Transitional approach**

- SKILLS ACTIVE TE MAHI AKO is the only receiving organisation for the transition. Some existing programmes of Skills Active will not be delivered by SKILLS ACTIVE TE MAHI AKO from 2023 because of existing provider-based delivery within the network. There are a small number of Skills Active programmes that have overlapping provisions with one or more tertiary education organisations. Our recommendation is to transfer these specified programmes to SKILLS ACTIVE TE MAHI AKO to ensure that a work-based delivery model is retained for learners and employers accessing these programmes currently.
- Skills Active has chosen to adopt a transition approach that will be the least disruptive for learners and clients in existing Skills Active programmes across the three scenarios. This involves a three-tiered commitment:
  - Seamlessly transitioning learners to SKILLS ACTIVE TE MAHI AKO programmes
  - Grandparenting of learners through existing programmes of industry training that will not be delivered by SKILLS ACTIVE TE MAHI AKO from 2023
  - Joint Venture/collaboration with Te Pūkenga and Te Wānanga o Aotearoa to ensure SKILLS ACTIVE TE MAHI AKO provision of work-based programmes while they develop the capability and capacity to establish their work-based learning provision if desired.
- A detailed spreadsheet of programmes and learners by receiving provider is provided in Appendix 11.

### **When the transition will occur and why**

- Skills Active will transition arranging training, other activities and support functions to SKILLS ACTIVE TE MAHI AKO on 1 October 2022 to prepare for a 3 October go-live date for SKILLS ACTIVE TE MAHI AKO. Relevant staff and assets that support this activity will transition to the new entity at this time
- 9(2)(b)(ii) [REDACTED]

9(2)(b)(ii)

9(2)(b)(ii)

- Throughout the reform, Skills Active has consistently engaged with employers and industry and with TEC's RoVE team to ensure Skills Active sectors are informed and engaged; so that they have a voice and choice as to the delivery of their vocational education and training.
- Skills Active has planned for a late RoVE transition to allow for the time to conduct a robust analysis of the transition options and iteratively undertake meaningful stakeholder engagement, as the environment has evolved throughout the reform and with the impacts of COVID-19. A later transition has allowed us to focus on transitions that support transformation and the real change envisioned by RoVE. We have been able to work across private and public providers to discuss how we can support the development of operating models across the network of providers that will meet the needs of our sector learners and employers.
- Skills Active also believes that a later transition, with more information about the Te Pūkenga operating model and UFS model, will minimise uncertainty for learners, employers and staff and mitigate the risks of disruption in current training activity or loss of critical skills from the vocational education and training system.
- For Skills Active, an October transition optimises the resource available to support transition processes, as this is after the end of the ski season and before the start of the summer aquatics season.
- Skills Active will have no uncompleted projects funded from either the Qualification Development Fund or TITO-WDC COVID-19 support fund, by the transition date. Post-transition, Skills Active will continue to provide services related to the ITR-bureau project and other relevant activities, listed below.

## Other relevant activities

- All other relevant activities currently undertaken by Skills Active will be transitioned to SKILLS ACTIVE TE MAHI AKO:
  - provision and support of Gateway and curriculum-based unit standards in Schools
  - employer facing brokering
  - careers functions and activities intended to encourage new learners into employment (collaboration with providers)

- sale of learning and assessment resources to third parties
- sponsorship and other financial support for industry events, awards and promotion of training opportunities
- provision of workforce planning support for organisations and sector groups
- administration of ActiveCV a professional toolbox that enables people to manage their continuing professional development information, apply for industry jobs, and formally verify their experience and qualifications
- SKILLS ACTIVE TE MAHI AKO will continue to undertake these services and maintain the current service models using the existing employees, systems and processes.
- Skills Active will continue the administration of The New Zealand Register of Recreation Professionals (NZRRP) and the oversight of auditing and safety leadership body, Qualworx. Skills Active will continue to provide services related to the ITR bureau project, and the development of training management systems.

## Relevant post-transition activities

- Skills Active Aotearoa will continue to operate as a charitable limited liability company following completion of all transition activities, holding the interests of its shareholders in the operation of SKILLS ACTIVE TE MAHI AKO and Qualworx Ltd. 9(2)(b)(i)
- Skills Active has designed a draft operating model for operating model on behalf of SKILLS ACTIVE TE MAHI AKO. The model is intended to align future service provision with the RoVE vision and the Minister’s expectations. While the draft operating model will be developed ahead of SKILLS ACTIVE TE MAHI AKO’s PTE application to NZQA in February 2022, subsequent transformation to the future service model envisaged under RoVE will occur over 3 years from transition.
- The transition plan is designed to ensure that there are no unintended disruptions for learners and employers through the transition period and to ensure that consultation with a wide range of stakeholders and full change impact analysis can be undertaken before changes are made to current service models. Skills Active is committed to leading this process in a way that constructively engages staff and ensures employees, industry and learners will seek to remain engaged following the transition.

- Skills Active and SKILLS ACTIVE TE MAHI AKO are developing the capability, systems and processes to be registered by NZQA as a PTE and will increasingly seek to enhance the range and quality of training and learner support offered to learners, organisations and other employers. As arranging training regulatory and funding constraints are removed and change impact and consultation on change is undertaken with learners, employers and industry, this work will continue post-transition
- Skills Active acknowledges that the arranging training activities of ServiceIQ relating to Museum arranging training activities will transfer to Te Pūkenga WBL in the first instance, 9(2)(b)(ii) [REDACTED]
- The Skills Active brand will remain active as the parent company of SKILLS ACTIVE TE MAHI AKO following the transition. Skills Active's active will pursue the objective to meet the education and training needs of specified sectors and Māori participating in those sectors. This includes providing safety leadership to its auditing arm, Qualworx.
- 9(2)(b)(ii) [REDACTED]
- All Specified Arranging Training Assets to transfer from Skills Active Aotearoa to SA Te Mahi Ako will be agreed upon between the parties based on a discovery exercise and listed in a Schedule to the Transfer Agreement. 9(2)(b)(ii) [REDACTED]
- If at any stage SKILLS ACTIVE TE MAHI AKO experiences excessive losses and can no longer operate in a financially sustainable way, the company will consult with its stakeholders to identify a preferred provider(s) to transition its work-based learning functions to. At this stage, it is anticipated that this would either be Te Wānanga o Aotearoa or Te Pūkenga. Conversations with providers would commence following the decision to transfer functions and ahead of stakeholder engagement. Skills Active would help facilitate this transition, and manage the consideration of use of any residual reserves linked to its former arranging training functions, before transition on 1 October 2022.

## 1.2 Alignment with learner, employer and industry needs

RoVE aims to create a unified system that is ready for a fast-changing future of skills learning and work. The system will:

- Deliver to the unique needs of all learners, including those who have been traditionally under-served, such as Māori, Pacific, and disabled learners,
- Be relevant to the changing needs of employers,
- Be collaborative, innovative and sustainable for all regions of New Zealand, and
- Uphold and enhance Māori-Crown relationships.

This section outlines the priorities and success factors for learners, employers and industry and explains how the proposed transition aligns with these expectations.

## Alignment with learners' needs

- Skills Active learners identified the following key expectations for transition. This feedback came through direct engagement with learners by our Learning Support Advisors and through our customer satisfaction surveys conducted through SurveyMonkey. They reflect what learners consider important in terms of current arranging training activities. A summary spreadsheet of all learner survey responses and comments is provided in Appendix 8.

### **Key Themes: Communication, support, knowledge of sectors and needs, the relevance of learning, maintaining access to learning**

- Clear communication, clarity and willingness to help further education and experience of learner and capability of the organisation
- Responsiveness and accessibility; support asynchronous learning
- High level of personalised, face-to-face support from assessor and staff with technical/sector expertise
- The provider's sector knowledge and understanding of learner needs
- Delivery which fits in with operations, support on-job learning, seamless and simple
- Relevance of material and applicability of training to sectors
- Holistic person-centred approaches
- More face-to-face interactions and incorporation of off-job learning
- More flexibility

- Accommodate bespoke needs of different organisations, sectors, learners; keep programmes contextualized
- Each of these criteria has been addressed in the transition plan to SKILLS ACTIVE TE MAHI AKO and associated terms sheet; specifically, by providing for the transition of existing employees, the retention of current service models for a period following transition, a requirement for consultation with learners before implementing any significant change and retention of the existing network of providers including third party providers and assessors. These specific requirements are specified in the Term Sheets and will be reflected in the transitional agreement with SKILLS ACTIVE TE MAHI AKO.
- Looking forward, SKILLS ACTIVE TE MAHI AKO will meet the needs of learners by:

#### **Programmes**

- Providing relevant and quality Programmes of Study that are endorsed by the sector and extensively cover all aspects of off-job, online, and workplace learning. As needs are identified, new Programmes will be developed to meet gaps in the market sectors.
- Providing tailored learning and assessment opportunities for groups of learners that will supplement the learning they are achieving in their workplaces.
- Developing micro-credentials and small packages of learning to diversify the learning delivery to better suit the needs of the learners, in particular, with time-constrained learners (volunteers and seasonal) and learners needing supplementary or additional learning to support; pre-employment skills, pathways into vocational qualifications, continuing professional development and career progression

#### **Learning support**

- Providing national access to, kanohi ki te kanohi, support through a network of training advisors, assessors, learning facilitators and learning support
- Providing access to programmes and courses on demand arises and engaging appropriate learning facilitators to provide the learning/teaching online and/or in NZQA approved facilities.
- Providing flexible delivery (hard-copy and online resources)
- Providing culturally appropriate pastoral care and kaupapa Māori assessment model including adopting kaupapa Māori and Akoranga Māori approaches with learners

- Supporting Māori in all work environments including those involving traditional Māori activities (such as people working on Marae, those working for iwi/ hapū and volunteer groups)
- Facilitating 'communities of learning' particularly for regional, remote and dispersed learners, including self-employed and contractors to support the learning and assessment process.
- Providing mentoring and pastoral care support from industry-qualified regional training advisors and learning support personnel who develop learning plans, provide assessment services and progress reports
- Alumni/Graduate services including career services (job hub), upskilling/professional development, support for new or potential industry business owners
- Consultation with iwi, whanau, and specific organisations to understand learning requirements, what success means for learners such as Māori and Pacific people, as well as for underserved and hard to reach groups such as people with disabilities, small businesses, the self-employed and volunteers.

### **Pathways**

- Promoting career opportunities to the wider community and iwi, including secondary schools.
  - Provision pathways and support for employers through the Gateway programmes and youth awards
  - Proving online career service brokering
  - Providing formal linkages to learning pathways with other providers.
- Skills Active recognises that providing additional support for under-served learners is essential to achieving equitable outcomes for these learners. A range of additional support for these learners has been introduced since 2021. This includes enhanced learning support provision for apprentices, enhanced learner induction to ensure that new learners are better prepared for success and enhanced peer and mentor-led virtual learning support groups, supported by topic related webinars. SKILLS ACTIVE TE MAHI AKO will retain and grow these learner support initiatives under its commitment within its 3-year business plan. Skills Active envisages that as the regulatory and funding constraints of industry training are removed, SKILLS ACTIVE TE MAHI AKO will develop a capability that will further enhance support post-transition.

## Alignment with the employer and industry needs

- Skills Active engaged extensively with employers and industry bodies throughout the RoVE process. Initial consultation in the immediate period following the decision to progress RoVE included employer and industry workshops where transition success criteria for employers and industry bodies were developed respectively.
- In 2019 Skills Active sought high-level industry feedback through the 2019 RoVE consultation process around what was needed from an effective fit-for-purpose vocational education and training (VET) system to support a skilled workforce. The feedback we received was distilled into the following key themes:
  - The VET system must be responsive to Māori learner and stakeholder needs.
  - The system must be industry-led.
  - The system must be tailored to meet workforce needs.
  - The system must recognise and support the role of the workplace as a trainer.
  - The system must be responsive and agile.
  - The system must be cohesive.
  - The system must be affordable and recognise industry contributions.
- Through the 2021 engagements, Skills Active asked employers and industry what concerns and/or considerations they would like to be front of mind as we move industry training into the new system. Responses included:
  - Ease of use, acknowledging workloads of learners.
  - Ensuring the right people are involved and keeping a kanohi ki te kanohi approach.
  - The inter-linked industry training areas need to be kept as a whole so that they do not become piecemeal and difficult for the industry to manage.
  - Specialised understanding of industry needs and learners needs to be retained. Retain industry focus.
  - Costs, affordability and accessibility (ensuring training is delivered in the workplace).

- Retaining focus on efficient in-house training and assessment processes – particularly for high turnover industries. Simplify the workplace assessment process.
  - Maintaining national consistency but local and regional flavours in delivery.
  - Increased access for volunteers.
  - Minimising disruption, ensuring continuity and retaining strong, effective communication at learner and workplace level.
  - Retain systems and frameworks
  - Maintain focus on the safety of learners and customers.
  - Ensure small employers and sectors are not lost or left out of the engagement and the future provision.
  - Increase support for workplace capability to train their staff.
  - Maintain engagement with smaller and remote regions and communities.
  - Increase support for transitions between school and work. Increased clarity on a pathway to higher education.
  - Increase collaboration with others to expand joint offerings.
  - Maintain industry voice so that training is relevant and appropriate.
  - Workplace autonomy of delivery
- Again, each of these criteria has been addressed in the transition arrangements with SKILLS ACTIVE TE MAHI AKO. Specifically, these agreements provide for the transition of existing employees, the retention of current service models for a period following transition, a requirement for consultation with employers before implementing any significant change, retention of the existing network of providers including third party providers and assessors and retention of the existing quality assurance/internal moderation function/expertise. These requirements are specified in the Term Sheets and will be reflected in the final transitional agreement with SKILLS ACTIVE TE MAHI AKO.
  - Looking forward, SKILLS ACTIVE TE MAHI AKO will meet the needs of employers and industry by:

### **Programmes**

- Transitioning all existing programmes to programmes of study

- Providing relevant sector endorsed programmes that ākonga can undertake to meet their skill needs
- Providing learning and assessment resources to support learners to attain the skills and knowledge required
- Providing off-job learning opportunities where the full scope of the programme cannot be completed in the workplace
- Providing on-site pastoral support (at a minimum, quarterly) to apprentices and employers

### **Workplace support**

- Providing national access to, kanohi ki te kanohi, support through a network of training advisors
- Supporting workplaces and organisations Māori in all work environments including those involving traditional Māori activities (such as people working on Marae, those working for iwi/ hapū and volunteer groups)
- Supporting workplace trainers and verifiers to meet required learning outcomes
- Supporting organisations and groups who have not been well-served in the VET system, with tailored work-based learning solutions, including volunteers, contractors and self-employed.
- Developing and upskilling trainers and mentors in the workplace.
- Developing and providing access to a network of assessors and flexible assessment models to meet the needs of different organisations and employers.
- Providing access to workforce planning support to ensure sustainable changes that enhance workforce and workplace success.
- Providing support for new or potential industry business owners, including the self-employed.

### **Pathways**

- Promoting career opportunities to the wider community and iwi, including secondary schools.
- Provision pathways and support for employers through the Gateway programmes and youth awards
- Proving online career service brokering
- Providing formal linkages to learning pathways with other providers.

## 1.3 Employer and industry support

### Nature of engagement with employers and industry

- Skills Active has undertaken extensive engagement with employers and industry in developing our transition intentions and plan since RoVE was first proposed.
- This formal endorsement is therefore the culmination of a process that has been ongoing over the last two years.
- Skills Active facilitated a series of workshops for employers and industry during the RoVE consultation period and met with industry bodies, sector groups and key employers. As detailed in Skills Active’s submission and the overwhelming feedback provided directly by industry stakeholders across Skills Active’s industry sectors, employers and industry were universally not in support of ITO arranging training being transitioned to providers. In providing this feedback and consultation response, clearly articulated what they believed was important to retain and where they believed there were opportunities for improvement within the vocational education and training system. This engagement directly informed Skills Active’s initial approach. The feedback from these engagements informed the transition principles that Skills Active adopted and led directly to the development of the success criteria identified in the previous section.
- Skills Active has subsequently discussed RoVE and the available options for transition in our regular meetings with stakeholders since 2019. Skills Active initiated further general employer and industry workshops and engagements in 2020 and 2021. Examples of the presentations used in meetings over this period are provided in Appendix 3. All presentations were substantially similar and provided a comprehensive outline of the options analysis undertaken by the independent contractor including merits and risks/constraints.
- Additionally, Skills Active has provided regular updates through email and on our website to all employers and industry groups providing updates on transition intentions and progress through the same period. Examples of these communications are also provided in Appendix 4.
- Letters of support for their preferred option were sought from industry bodies and key employers. Electronic voting was sought from individual employers across all sectors with learners in current training agreements.
- Ten RoVE hui were held with shareholders in 2021 regarding RoVE transitions and options. In addition, two AGM and SGM were held in 2020 and 2021 in which RoVE and transition options were tabled for discussion. In November 2021 100% of Skills Active Shareholders supported the business case to establish a PTE for the benefit of the sectors they represent.
- While industry support has been strong for the proposed transition approach, Skills Active is committed to progressing initiatives to improve current models to the extent possible before and after the transition. This has included engaging with Te Wānanga o Aotearoa on a Te Ata Hāpara, pastoral

care pilot as well as commitments to joint work programmes with Te Wānanga o Aotearoa and Te Pūkenga. SKILLS ACTIVE TE MAHI AKO will continue to facilitate work in this area, bringing together industry stakeholders and providers to identify and deliver enhancements to the delivery of vocational education and training for their sectors.

## Industry bodies and employers engaged with

- In early May 2021 Skills Active began a stakeholder engagement campaign around options for the transition of its arranging training functions. This included exploring support around a dedicated private training establishment (PTE) for exercise, recreation, performing arts, snowsport and sports employers – set up by Skills Active.
- An endorsement was sought from every employer of an active learner in May 2021.
- The campaign closed on 25 June. Skills Active received 175 responses from stakeholders. Skills Active supports approximately 1000 workplaces at any time. All of Skills Active’s key employers (representing 80% of Skills Active learners) responded to the survey, provided a letter of support, or voted through the shareholding in favour of establishing a PTE. Several small employers (with workforces of 1-5 employees) did not respond to the survey. Some of these felt comfortable that they were represented at the industry level through the Skills Active shareholding.
- Survey responses represented a self-identified workforce of 4,000 paid workers and 10,000 volunteers. Of the responses:
  - 165 responses were in favour of Skills Active establishing an industry-based provider. This included 47 letters in favour of Skills Active establishing a PTE
  - 117 survey respondents who also supported a Skills Active PTE (this included 8 responses that preferred to transition to an existing PTE and named Skills Active – indicating a lack of understanding about the difference between PTE and ITO, or errors in selection)
  - 1 respondent supported a Skills Active wānanga
  - 8 respondents identified Te Pūkenga as the preferred transition partner (this included 2 Te Pūkenga staff respondents)
  - 1 respondent identified Yoga NZ as the preferred transition partner
  - 1 respondent identified an existing PTE (referring to a Te Pūkenga subsidiary) as the preferred option.
- Another 8 organisations indicated they would supply letters of support.

- A summary spreadsheet of all employer responses and comments is provided in Appendix 7.
- In early November 2021, transition discussions with Te Pūkenga, Te Wānanga o Aotearoa, other interested providers and stakeholders had progressed to the extent that Skills Active was comfortable in providing a recommended transition to employers and industry. This was communicated to industry bodies and every individual employer. A survey was sent out in Mid-December to seek support for the preferred transition option.
- In mid-December 2021 additional information was provided to all employers (see Appendix 4). This included updated information on the Te Pūkenga operating model, the strategic direction of Te Wānanga o Aotearoa, in detailed information regarding the proposed transition to and future direction of SKILLS ACTIVE TE MAHI AKO. A total of 84 responses reconfirming support for the transition approach were received, which included 74 unique employer groups. Responses came from a broad representation of Skills Active employers. There were no responses of concerns, non-support, or further questions. The details of electronic voting are provided in Appendix 7.

## Employer engagement and support

Qualification Sector	Total		Engaged			Responses & Support (June)			Reconfirming support (Dec)		
	Employer #	Learner #	Employer #	Learner #	Learner & Employer %	** Employer #	*** Learner #	Employer %	Employer #	Learner #	Employer %
Community Recreation*	613	2531	ALL	ALL	100%	62	NA	97%	30	NA	100%
Exercise	247	608	ALL	ALL	100%	46	NA	91%	13	NA	100%
Outdoor Recreation	130	898	ALL	ALL	100%	29	NA	100%	11	NA	100%
Snowsport	40	1010	ALL	ALL	100%	12	NA	100%	4	NA	100%
Sport	64	133	ALL	ALL	100%	13	NA	100%	5	NA	100%
Entertainment	52	102	ALL	ALL	100%	13	NA	100%	11	NA	100%
Pan sector (Business, H&S, Mātauranga Māori)	37	94	ALL	ALL	100%	Employers with learners in these programmes are included in the specific sectors.					
<b>Totals</b>	<b>1183</b>	<b>5376</b>							<b>74</b>		

\*Includes relevant stakeholders from Ngā Mahi a te rēhia and pan-sector responses

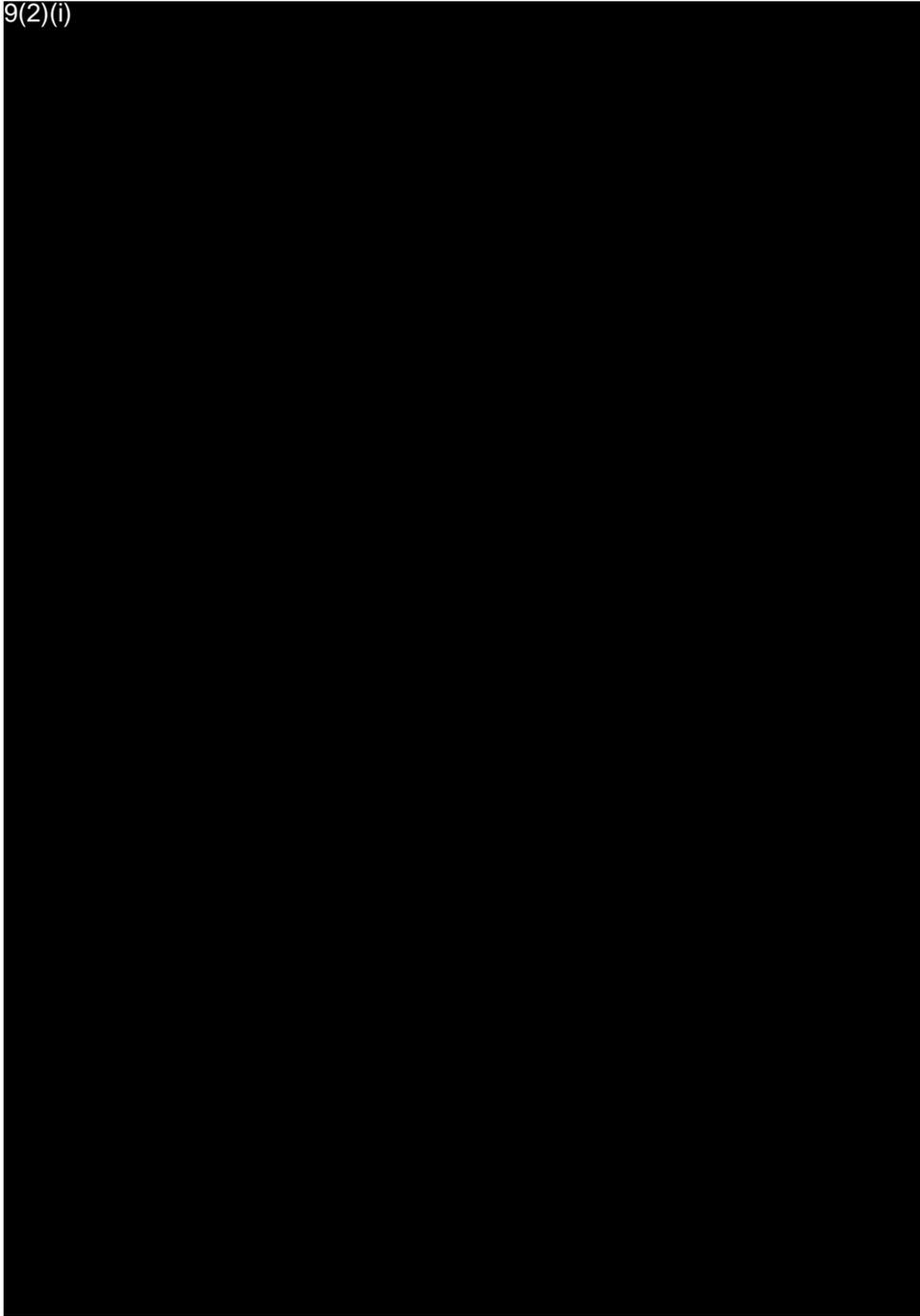
\*\* Employer numbers represent a self-identified workforce of 4,000 paid workers and 10,000 volunteers

\*\*\* Learners were asked questions regarding what was important for them in the transition. They were not asked their provider preference as many did not have a full understanding of the RoVE changes.

List of organisations and employers (including self-employed) engaged

9(2)(i)

	Support or preferred provider
	SGM vote of support
	SGM vote of support
	SGM vote of support
	Letter of Support



Survey support

Te Pūkenga

Survey support

Supportive

Survey support (December)

Letter of Support and SGM vote of support

Letter of Support

Survey Support

Survey Support

Te Pūkenga

Survey support



Survey support
Existing PTE
Survey support
Survey support
Te Pūkenga
Survey support
Yoga NZ
Survey support
Survey support
Survey support
Te Pūkenga
Survey support
Survey support



Survey support
SGM vote of support
Letter of Support and SGM vote of support
SGM vote of support
SGM vote of support
Letter of Support and SGM vote of support
SGM vote of support
AGM representation
SGM vote of support
SGM vote of support
Letter of Support
Letter of support
Letter of Support
Survey support
Survey support

Survey support

Survey support

Survey support

**Letter of Support and SGM vote of support**

SGM vote of support

SGM vote of support

SGM vote of support

SGM vote of support

**Letter of Support**

Survey Support

Letter of Support

9(2)(i)

SGM vote of support

SGM vote of support

SGM vote of support

SGM vote of support

**Letter of Support**

Survey Support

Survey Support

Survey Support

Survey Support

SGM vote of support

SGM vote of support

SGM vote of support

SGM vote of support

9(2)(i)

Letter of Support

Survey Support

Survey Support

Survey Support

Survey Support

Survey Support

Supportive

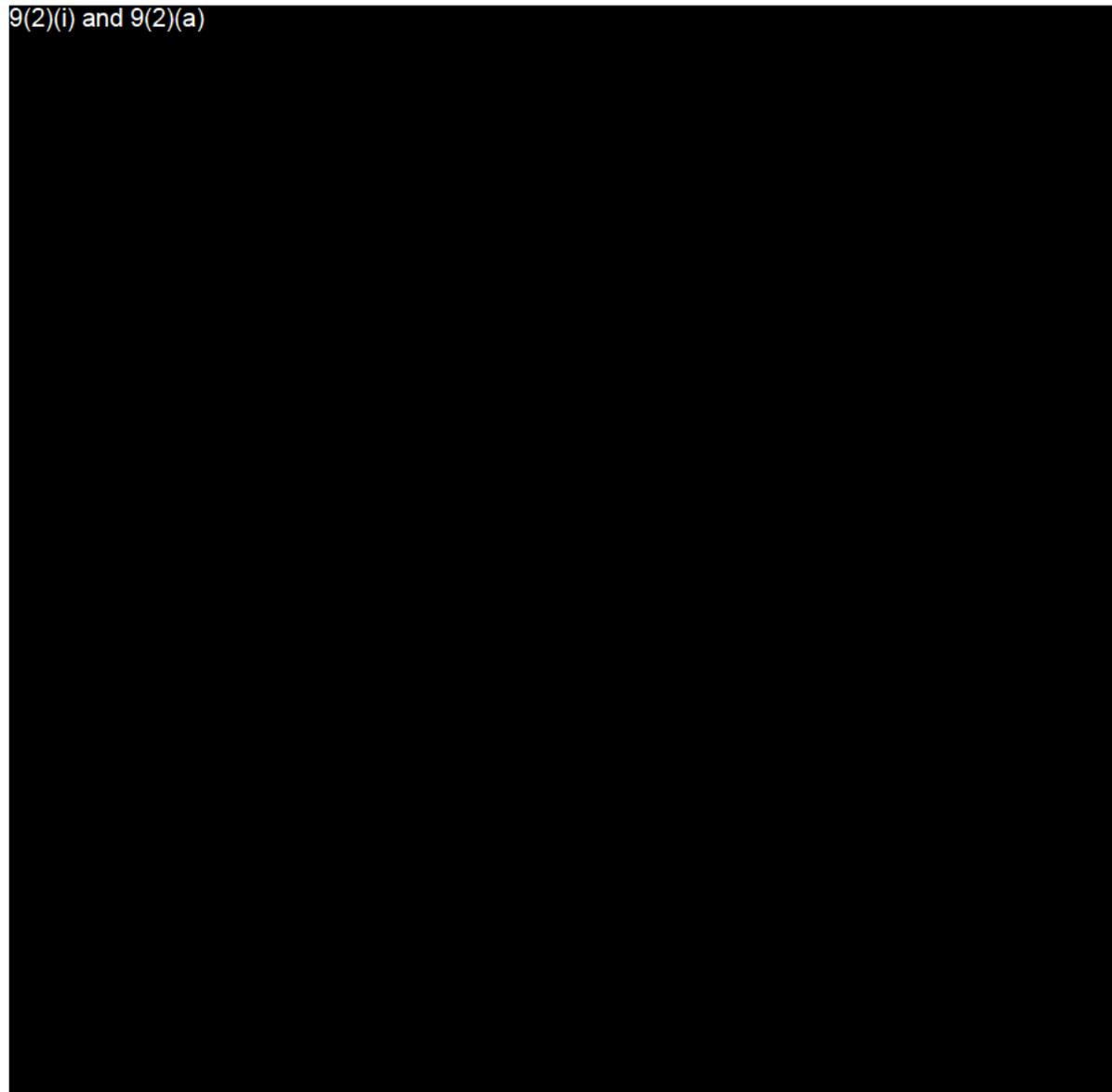
Supportive

SGM vote of support

SGM vote of support

Letter of Support and SGM vote of support

9(2)(i) and 9(2)(a)



Letter of Support
Survey Support
Survey Support
Survey Support
Survey Support
Te Pūkenga
Survey Support
Te Pūkenga
Survey Support
Survey Support
Supportive

Responses from employers with largest learner volume:

EMPLOYER	LEARNER COUNT 2019	LEARNER COUNT 2020	SUPPORT
9(2)(i)			Support
			Supportive
			Support

9(2)(i)

**Evidence that key existing employers and industry bodies support the Transition Plan**

- Indications of support are provided in the tables above.

- At its June AGM, Skills Active sought and received the endorsement of shareholders for the company to continue to plan for the PTE contingency, subject to business case recommendations and decision; with the view that this entity would be positioned to take on the arranging training functions for Skills Active's programmes and associated employers and learners. There was a strong desire from shareholders to better understand the financial viability, governance and operating models of any provider taking on these functions, including a Skills Active PTE.
- On 18 November 2021, 100% of Skills Active Shareholders supported the business case to establish a PTE for the benefit of the sectors they represent.
- A stakeholder engagement outcomes report is provided in Appendix 5.
- Letters of endorsement from industry bodies and key employers are provided in Appendix 6.
- Details of electronic voting from employers are provided in Appendix 7.

## 1.4 Status of discussions with Receiving Organisations

Activity	Receiving Organisation	Progress as of 30 January 2022	Next significant milestone	Issues to resolve
Arranging Training	SKILLS ACTIVE TE MAHI AKO	<p>SGM support of the business case. And stakeholder support of the business case.</p> <p>Incorporation of the subsidiary.</p> <p>Continuing engagement by Skills Active and industry in the development of the Te Pūkenga operating model.</p> <p>Development of PTE operating model with the establishment of working groups comprising functional leads for finance, legal, technology, delivery and academic and HR/internal comms.</p> <p>Formalised relationship with Te Pūkenga and Te Wānanga o Aotearoa.</p> <p>In principle support of transition approach by TEC</p> <p>Post transition structure for Skills Active business unit and change impact on roles agreed by Skills Active Board.</p> <p>Receiving Plan completed</p>	<p>Transition and Receiving Plan approved by TEC (March)</p> <p>NZQA approval of PTE application and accreditation (February – June 2022)</p> <p>NZQA agreement of approach to programme/approvals (February – June 2022)</p> <p>Any conditional TEC terms for transition approval met (August 2022)</p> <p>Transition (October 2022)</p>	<p>NZQA acceptance of the proposed corporate structure.</p> <p>Other outstanding issues are of a process/procedural nature with no significant impediments to transition.</p> <p>Key procedural issues to be addressed are:</p> <ul style="list-style-type: none"> <li>i) Development of change plan for organisational restructures.</li> <li>ii) Recruitment of staff into new/changed roles</li> </ul>

Activity	Receiving Organisation	Progress as of 30 January 2022	Next significant milestone	Issues to resolve
<p><b>Other Activities</b></p> <p>i) provision and support of Gateway and curriculum-based unit standards in Schools</p> <p>ii) employer facing brokering</p> <p>iii) careers functions and activities intended to encourage new learners into employment (collaboration with providers)</p> <p>iv) Sale of learning and assessment resources to third parties</p> <p>v) sponsorship and other financial support for industry events, awards and promotion of training opportunities</p> <p>vi) provision of workforce planning support for clients and sector organisations.</p>	<p>SKILLS ACTIVE TE MAHI AKO</p>	<p>SGM support of the business case. And stakeholder support of the business case.</p> <p>Incorporation of the subsidiary.</p> <p>Continuing engagement by Skills Active and industry in the development of the Te Pūkenga operating model.</p> <p>Development of PTE operating model with the establishment of working groups comprising functional leads for finance, legal, technology, delivery and academic and HR/internal comms.</p> <p>Formalised relationship with Te Pūkenga and Te Wānanga o Aotearoa.</p> <p>In principle support of transition approach by TEC</p> <p>Post transition structure for Skills Active business unit and change impact on roles agreed by Skills Active Board.</p> <p>Receiving Plan completed</p>	<p>Transition and Receiving Plan approved by TEC (March)</p> <p>NZQA approval of PTE application and accreditation (February – June 2022)</p> <p>NZQA agreement of approach to programme/approvals (February – June 2022)</p> <p>Formal conditional Transition Agreement concluded (August 2022)</p> <p>Transition (October 2022)</p>	<p>Outstanding issues are of a process/procedural nature with no significant impediments to transition.</p> <p>Key procedural issues to be addressed are:</p> <p>i) Development of change plan for organisational restructures.</p> <p>ii) Recruitment of staff into new/changed roles</p>

Activity	Receiving Organisation	Progress as of 30 January 2022	Next significant milestone	Issues to resolve
vii) Administration of ActiveCV a professional toolbox lets people manage their continuing professional development information, apply for industry jobs, and formally verify their experience and qualifications				

## 1.6 Conflicts of interest

This section describes interests held by the TITO (or any individuals currently or recently associated with the TITO) and the proposed Receiving Organisations.

- SKILLS ACTIVE TE MAHI AKO is currently a wholly-owned subsidiary of Skills Active. Skills Active will therefore retain an interest in SKILLS ACTIVE TE MAHI AKO. Skills Active has developed a constitutional framework that will see SKILLS ACTIVE TE MAHI AKO governed by a mix of the parent company and independent directors. The Chair of SKILLS ACTIVE TE MAHI AKO will be appointed by the independent directors.
- The full constitution of SKILLS ACTIVE TE MAHI AKO is provided with the receiving plan (Appendix 10).

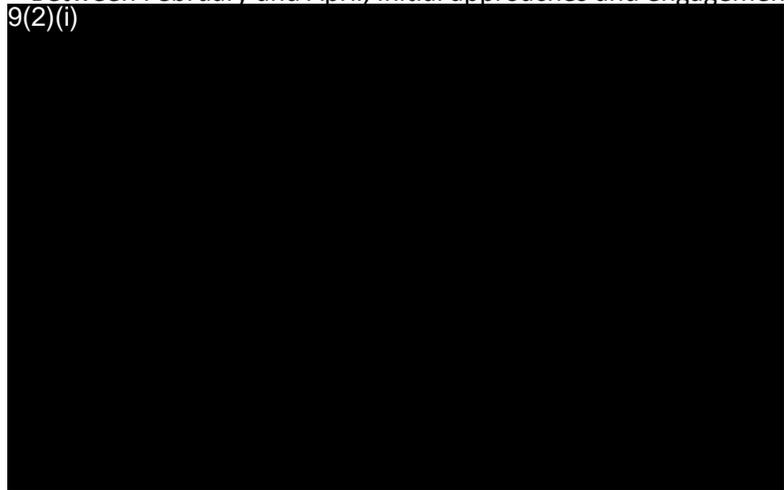
# Section 2: Transition of Arranging Training

## 2.1 Rationale for the preferred provider(s) of Arranging Training

### Providers that have been considered for Arranging Training

- In September 2020 TEC worked alongside TITOs to agree on an approach for ensuring consideration is given to all relevant providers in the transfer of arranging training activities, that those providers have the support of industry and that the risks and impacts of any engagement with providers are well managed. This was to ensure that relevant and interested providers have an opportunity to be considered in the transition of arranging training activities from Transitional ITOs.
- An approach to engaging PTEs and wānanga was agreed in late 2020 and engagement collateral was released on January 26 2021.
- Through the TEC evaluation process, six PTEs were identified meeting TECs criteria for taking on arranging training functions. A further four PTEs were identified by Skills Active, or independently expressed interest to Skills Active to take on these functions for some or all the sectors supported by Skills Active.
- Skills Active initiated an evaluation of potential providers to receive arranging training functions. This included reviewing the known capability, EER reports, moderation history and current accreditations/approvals of the identified providers. Skills Active shared and discussed its findings with TEC in February 2021. The full evaluation and details of discussions with providers are provided in Appendix 9.
- Between February and April, initial approaches and engagements were had across eight shortlisted providers:

9(2)(i)



- Skills Active discussed the nature of its arranging training, the make-up of its provision, the desires of providers and objectives of Skills Active with providers. The opportunity to seek funding for arranging training under a future Investment Plan with TEC in the years following the initial transition as indicated in TEC's guidance to PTEs was discussed with each of the providers.
- Six providers did not progress engagements around the arranging functions following initial contact or meetings. Skills Active continued discussions with 9(2)(b)(ii)
- Skills Active also formally engaged with Te Wānanga o Aotearoa in April 2021 to better understand each other and find ways of working together. This initial meeting has been followed by several more positive meetings which have led to the formalisation of a relationship with Te Wānanga o Aotearoa pre and post-transition.
- Skills Active has continued to engage with Te Pūkenga around the transition options, and the design of the Te Pūkenga operating model through the various fora in 2021, including contributing to the Key Design Partnership Group and across several programme development workstreams that were set up in 2021. Skills Active is committed to ensuring that the new public network is established in a way that met all learners and employers needs in its sectors.
- Concurrent to the PTE engagement, in March 2021 Skills Active commissioned education consultancy [Cooper McKenzie](#) to look at the matrix of options for transition to providers, and evaluate these options and the possible combinations therein, against set criteria. Consideration was given to the NZQA levels of current provision, whether there are apprenticeship programmes, whether delivery is exclusively on-job, what industry feedback indicates as the preferred transition, which other education organisations are delivering programmes towards the same qualifications, and what the interdependencies might be between each industry.
- The report found that transferring the most advantageous transition option for Skills Active sectors and learners was for Skills Active to transition all its arranging training function to a single PTE. Mechanisms to achieve this include:
  - a full handover of the arranging training functions to an existing PTE
  - partnering with an existing PTE
  - purchasing an existing PTE, or
  - registering a new NZQA accredited PTE.
- Following the evaluation, there was no single PTE that currently has the capacity, capability, on-job training experience, national capacity and willingness to serve all of Skills Active's industries.

- In May and June Skill Active engaged with stakeholders and industry bodies on the transition options by way of workshops and surveys. In the survey, stakeholders were asked to rate all provider settings based on whether they felt the provider would be able to *'adequately'* meet their needs. The results indicate that industry training stakeholders were not confident that transition options to Te Pūkenga, Wānanga or existing PTEs would meet their vocational education and training needs; as they saw these options representing less ownership, a lack of control, and as a risk to the ongoing on-job provision to their learners.

*Do you agree that the transition option would be able to 'adequately' address your arranging training needs?*

<p><b>Te Pūkenga</b></p> <ul style="list-style-type: none"> <li>• 52.6% disagreed or strongly disagreed</li> <li>• 37.1% were neutral</li> <li>• 8.6% agreed and 1.7% strongly agreed</li> </ul>	<p><b>Existing PTE</b></p> <ul style="list-style-type: none"> <li>• 34.9% disagreed or strongly disagreed</li> <li>• 46.4% were neutral</li> <li>• 15.2% agreed and 3.6% strongly agreed</li> </ul>
<p><b>A new PTE set up by Skills Active</b></p> <ul style="list-style-type: none"> <li>• 3.4% disagreed or strongly disagreed</li> <li>• 9.6% were neutral</li> <li>• 24.3% agreed and 62.6% strongly agreed</li> </ul>	<p><b>A Wānanga</b></p> <ul style="list-style-type: none"> <li>• 50.5% disagreed or strongly disagreed</li> <li>• 35.8% were neutral</li> <li>• 11% agreed and 2.8% strongly agreed</li> </ul>

- With a clear mandate from shareholders and stakeholders to keep building on the PTE option, the next step for Skills Active was to test this option more fully against the other options, to ensure any transition outcome best serves our sectors, and fulfils government requirements.
- Skills Active commissioned an independent consultant, **9(2)(a)** to develop a business case for transition. Using the Better Business Case methodology, it aimed to provide an objective analysis of all the options moving forward, allowing for better comparability and transparency and enabling Skills Active and the TEC to make smart investment decisions that maximise industry and public value. This work was completed in late August, and the business case was reviewed and endorsed by the Skills Active Board. Through the business case, the preferred option was for Skills Active to establish a PTE.
- The Skills Active business case and options paper is provided in Appendix 1.

- Skills Active is not aware of any intention from the providers that we have engaged with to challenge Skills Active’s transition decision and rationale with TEC.
- Skills Active has comprehensively engaged with Te Wānanga o Aotearoa and Te Pūkenga about how the organisations can work together to support vocational education and training outcomes across the various sectors and groups. Details of this engagement are provided in the table on the following page.

Providers considered	Approach to engaging and evaluating this provider	Decision and rationale
Details of the evaluation and decisions about these providers are provided in Appendix 9.		
9(2)(b)(ii)	All Sectors - Desktop review of the known capability, EER reports, moderation history and current accreditations/approvals. Discussion with the provider.	Not to transition. No follow up from provider/ Provider decided not to proceed.
9(2)	Business programmes - Desktop review of the known capability, EER reports, moderation history and current accreditations/approvals. Discussion with provider.	Not to transition. No follow up from provider / Provider decided not to proceed.
9(2)(b)(ii)	Exercise - Desktop review of the known capability, EER reports, moderation history and current accreditations/approvals. Discussion with provider.	Not to transition. Provider decided not to pursue engagement / Provider decided not to proceed.
9(2)(b)(ii)	9(2)(b)(ii) - Desktop review of the known capability, EER reports, moderation history and current accreditations/approvals. Discussions with industry and key employers. Discussions with provider.	Not to transition. No follow up from provider / Provider decided not to proceed. Provider well placed to develop work-based programmes within 9(2)(b)(ii) However, does not have the capability and capacity to take on arranging training functions for the sectors supported by Skills Active.
9(2)(b)(ii)	9(2)(b)(ii) - Desktop review of the known capability, EER reports, moderation history and current accreditations/approvals. Expression of interest received March 2021. Offer made to connect with the provider.	Not to transition. No follow up from provider / Provider decided not to proceed. No follow up from the provider. No current capability and capacity to take on arranging training functions for the 9(2)(b) sectors supported by Skills Active.

Providers considered	Approach to engaging and evaluating this provider	Decision and rationale
9(2)(b)(ii) [REDACTED]	9(2)(b)(ii) [REDACTED] - Desktop review of the known capability, EER reports, moderation history and current accreditations/approvals. <ul style="list-style-type: none"> <li>Numerous meetings</li> </ul>	Not to transition. Provider decided not to proceed. Opportunity for collaboration post-transition identified.
9(2)(b)(ii) [REDACTED]	9(2)(b)(ii) [REDACTED] - Desktop review of the known capability, EER reports, moderation history and current accreditations/approvals.	Not to transition. Provider decided not to proceed. As a Skills Active shareholder opportunity for collaboration post-transition has been identified. Shareholder voted in support of PTE business case
9(2) [REDACTED]	9(2)(b)(ii) [REDACTED] - Desktop review of the known capability, EER reports, moderation history and current accreditations/approvals. <ul style="list-style-type: none"> <li>Numerous meetings</li> <li>Engagement in Skills Active business case development</li> </ul>	Not to transition. No capability and capacity to take on arranging training functions nationally for all sectors. Proposal/ options requested from the provider in mid-2021. The provider did not follow up. Opportunity for collaboration post-transition identified. Provider accepted the decision and as shareholder voted in support of PTE business case
SKILLS ACTIVE TE MAHI AKO (accreditation pending)	<ul style="list-style-type: none"> <li>Skills Active engaged TEC and NZQA throughout the period in which transitions have been planned.</li> <li>Skills Active consulted with its relevant industry sectors and employers throughout the reform to determine what would be the best outcome for stakeholders, our current and future learners, and employers. This is evident through the strong support we have received.</li> <li>Two independent consultants were appointed to evaluate the options and to advise the board. This included an early options analysis of all the transition options, ahead of wider stakeholder consultation. And to develop a robust business case in line with the best practice better business case</li> </ul>	<p>To transition arranging training functions to SKILLS ACTIVE TE MAHI AKO as a dedicated PTE.</p> <p>The Board’s decision is based on the rationale that this provides least disruption and provides continuity of service, and quality of provision, for current learners and employers engaged in Arranging Training activities.</p> <p>Skills Active’s current models of work-based training are affordable and highly accessible to both our clients, sectors and learners. Skills Active, by setting up an industry-owned subsidiary commits to carrying on this mahi under the proposed PTE structure.</p>

Providers considered	Approach to engaging and evaluating this provider	Decision and rationale
	<p>methodology. This included TEC, NZQA, Provider and shareholder engagement in the process.</p> <ul style="list-style-type: none"> <li>● The decision to transition Skills Active into a new PTE entity was based on the Business Case developed which was ratified by the Skills Active board and supported by Skills Active Shareholders.</li> <li>● In planning for the establishment of SKILLS ACTIVE TE MAHI AKO additional supporting documents were developed including: <ul style="list-style-type: none"> <li>○ 3-year business plan for Skills Active Te Mahi Ako</li> <li>○ Charter and constitution</li> </ul> </li> </ul>	<p>A PTE will offer a greater ability to be agile and responsive to sector needs and provide tailored solutions to the smaller iwi, employers and organisations. This approach would also be likely to retain the voice of the sectors. Transitioning Skills Active’s capability, people, processes, systems, IP and assets to a single PTE would enable a seamless transition for learners and industries, with continued national reach. As a PTE we will be able to gradually enable the integration of off-job provision into our programmes. Providing greater learning support to our ākongā and better meeting the needs of our clients. Strong partnerships with providers will support the development of career pathways and pathways into higher learning.</p> <p>SKILLS ACTIVE TE MAHI AKO will continue to prioritise and nurture the workforce within our sectors. By prioritising their needs, real, positive change will flow through to all communities and individuals who access the services from the industry and benefit from its work.</p> <p>The Skills Active transition business case and SKILLS ACTIVE TE MAHI AKO operational plan articulate its vision for the industry and future learners.</p> <p>The Skills Active TITO staff fully support and will move to SKILLS ACTIVE TE MAHI AKO.</p> <p><b>Overlapping programmes</b> TEC has noted the overlapping delivery of some programmes (albeit under different delivery modes) between Skills Active, Te</p>

Providers considered	Approach to engaging and evaluating this provider	Decision and rationale
		<p>Pūkenga and Te Wānanga o Aotearoa. As well as to a lesser extent other PTEs. Particularly in the areas of Sport and Exercise.</p> <p>The potential fragmentation of Skills Active’s integrated service models, systems, teams and roles across multiple sectors, and programmes within sectors without fully understanding and addressing the impact could create a significant risk of major disruption to employers and learners and inevitably a loss of skilled employees to the system. The complete transition to the private training establishment allows these impacts to be fully evaluated and addressed.</p> <p>Agreements are being established with Te Wānanga o Aotearoa and Te Pūkenga to:</p> <ul style="list-style-type: none"> <li>○ support these providers to identify and evaluate any opportunities that they may wish to pursue concerning arranging training activities in future,</li> <li>○ ensure that industry is aware that Te Wānanga o Aotearoa and Te Pūkenga may seek future involvement in certain arranging training sectors in future.</li> <li>○ commit to collaboration and joint ventures that would see the development of integrated learning experiences in future.</li> <li>○ Ensure the development of the operating models of Te Pūkenga and Te Wānanga o Aotearoa are informed by Skills Active’s extensive experience in supporting work-based learning</li> <li>○ Ensure the operating model of Skills Active Te Mahi Ako complements the models of Te Wānanga o Aotearoa and Te Pūkenga.</li> </ul>
Te Wānanga o Aotearoa	<ul style="list-style-type: none"> <li>● Skills Active met with Te Wānanga o Aotearoa Chief Executive and leaders in June to discuss the nature of</li> </ul>	Not to directly transition but:

Providers considered	Approach to engaging and evaluating this provider	Decision and rationale
	<p>arranging training, Skills Active’s transition intentions and Te Wānanga o Aotearoa’s capability and opportunities concerning training in the sectors supported by Skills Active.</p> <ul style="list-style-type: none"> <li>• Skills Active delivered a presentation to Te Wānanga o Aotearoa providing further information on arranging training and details of the ethnicity, region and nature of training in the sectors currently supported by Skills Active.</li> <li>• Skills Active and Te Wānanga o Aotearoa have engaged frequently across the past 8-months to explore the opportunities for collaboration and partnership pre-and post- RoVE transition.</li> <li>• Skills Active and Te Wānanga o Aotearoa are currently finalising the details of a partnership agreement, ahead of a March 2022 signing and ceremony.</li> <li>• Skills Active has engaged Steve Ruru, a current board member of Te Wānanga o Aotearoa as an advisor to the Skills Active Board. This appointment is independent of his role with the wānanga.</li> <li>• Skills Active has confirmed Steve Ruru as a co-chair of the SKILLS ACTIVE TE MAHI AKO establishment board. This appointment is independent of his role with the wānanga.</li> <li>• Skills Active will continue to provide any assistance requested by Te Wānanga o Aotearoa as opportunities are explored, as part of the partnership approach.</li> </ul>	<ul style="list-style-type: none"> <li>• To work together in strategic areas of mutual interest enhancing <ul style="list-style-type: none"> <li>○ Models of pastoral care</li> <li>○ Pathways across providers</li> <li>○ Embedding mātauranga Māori qualifications in the workplace</li> <li>○ Centre of Vocational Excellence – Māori health and wellbeing</li> </ul> </li> <li>• to fully support Te Wānanga o Aotearoa to identify and evaluate any opportunities that they may wish to pursue concerning arranging training activities in future</li> <li>• to ensure that industry is aware that Te Wānanga o Aotearoa may seek future involvement in certain arranging training sectors in any sectors that they identify to be of interest before the transition</li> <li>• to do everything within Skills Active’s ability to ensure that Te Wānanga o Aotearoa’s future interests in any arranging training functions are protected by a partnership approach between Te Wānanga o Aotearoa and Skills Active.</li> <li>• To ensure that Te Wānanga o Aotearoa and Skills Active Te Mahi Ako commit to consulting with employers and industry on proposed initiatives and securing an endorsement from these stakeholders for any new approach that impacts service delivery models.</li> </ul>
Te Pūkenga	<ul style="list-style-type: none"> <li>• Skills Active has undertaken an extensive evaluation of and engagement with this provider.</li> </ul>	Skills Active has decided not to transfer arranging training to the work-based learning subsidiary.

Providers considered	Approach to engaging and evaluating this provider	Decision and rationale
	<ul style="list-style-type: none"> <li>• numerous meetings between members of the governance and leadership teams of both organisations have occurred in 2020 and 2021</li> <li>• Skills Active shared the options analysis completed in April 2021 and provided further information on arranging training and details of the ethnicity, region and nature of training in the sectors currently supported by Skills Active to Te Pūkenga</li> <li>• Skills Active proposed several small pilots with Te Pūkenga to address concerns from sector representatives that Te Pūkenga would not be responsive to their needs. Unfortunately, this was not progressed by Te Pūkenga as a result of competing demands on their team.</li> <li>• Skills Active is represented on the Te Pūkenga Academic board.</li> <li>• Skills Active is also represented on the Key Design Partnership Group for the development of the operating model. And chaired the 2020 COVID-response working group for the creative, culture and recreation coverage.</li> <li>• Skills Active has been engaging across the Te Pūkenga subsidiary workstreams to look at the future development of programmes within Exercise and sport and outdoor recreation.</li> </ul>	<p>The industry has expressed concern that the small, specialised sectors that are cared for by Skills Active would not be well catered for under the large integrated model of Te Pūkenga, with no experience or history in work-based learning delivery to the sectors – or a seeming desire to advance work-based models in these areas in the short term. The understanding of the sector and capability to deliver to the small dispersed employer groups would take several years to develop.</p> <p>A move of arranging training functions to Te Pūkenga is not supported by Skills Active TITO staff. Transition to a PTE will therefore support the retention of staff and associated capability.</p> <p><b>Te Pūkenga endorsed this approach on 1 November 2021</b></p> <p>Skills Active and Te Pūkenga have committed to working together to further learner and workforce success. Skills Active has made the following commitments:</p> <ul style="list-style-type: none"> <li>• to fully support Te Pūkenga to identify and evaluate any opportunities that they may wish to pursue concerning arranging training activities in future</li> <li>• to ensure that industry is aware that Te Pūkenga may seek future involvement in certain arranging training sectors in any sectors that they identify to be of interest</li> <li>• to do everything within Skills Active’s ability to ensure that Te Pūkenga’s future interests in any arranging training functions are protected by a partnership approach between Te Pūkenga and Skills Active.</li> </ul>

Providers considered	Approach to engaging and evaluating this provider	Decision and rationale
		<ul style="list-style-type: none"> <li>to ensure that where collaboration and joint ventures are pursued - Te Pūkenga and Skills Active Te Mahi Ako commit to consulting with employers and industry on proposed initiatives and securing an endorsement from these stakeholders for any new approach that impacts service delivery models.</li> <li>To develop pathways across providers</li> <li>To explore the alignment of programme delivery models for exercise sport and outdoor recreation (and other programmes as identified)</li> </ul> <p>This approach has been mutually agreed upon between Skills Active and Te Pūkenga. An MoU will be drafted following the approval of the transition plan by the TEC board.</p>

## Preferred provider alignment with TEC criteria

Identify how the preferred provider meets the requirements of TEC for transition to a PTE.

	Criteria	Met	Comment
1	Has or will have proven capability to provide 'fit-for-purpose' work-based learning support to employers and learners	Yes	A 'lift-and-shift' of current capability from Skills Active Aotearoa to the PTE is proposed. Relevant TITO staff with the qualifications and capability to deliver training as PTE. A plan is in place to uplift skills and educational product and service capability moving forward.
2	Can support work-based learning and provide national coverage where appropriate	Yes	A 'lift-and-shift' or current capability from Skills Active Aotearoa to the PTE is proposed. National coverage is currently provided effectively by Skills Active
3	Meets employer needs in respect of localised or regional training differences	Yes	A 'lift-and-shift' or current capability from Skills Active Aotearoa to the PTE is proposed. The regional coverage is currently provided effectively by Skills Active through its national network of regional advisors.

4	Supports a niche industry where there is no existing provider-based provision	Partial	<ul style="list-style-type: none"> <li>• Skills Active is the only TEO delivering against 82% of SA's programmes (4400 enrolments per annum);</li> <li>• Skills Active is the dominant TEO delivering against a further 12% of SA's programmes (645 enrolments);</li> <li>• Skills Active is the minority TEO delivering against the remaining 6% of SA's programmes (323 enrolments). Of these programmes, there are currently no off-job components being delivered through other TEOs and no TEOs are delivering on-job programmes or components in these programmes.</li> </ul>
5	Adds to the network of provision without creating unnecessary duplication	Partial	<p>While there are existing programmes in the 7 programmes (18% of enrolments) which are partially served by existing providers, there is no TEO interest in taking on the programmes of industry training at this stage.</p> <p>We acknowledge that not all duplication is being avoided through the RoVE transition process across ITOs. Through the SKILLS ACTIVE TE MAHI AKO Charter and 3-year strategy, the organisation is committing to reducing this. This includes collaborating with providers, industry and iwi to develop and promote learning pathways that provide ākongā with a range of opportunities to progress to higher levels of education and training, into employment and portability within the wider labour market. Activities will include:</p> <ul style="list-style-type: none"> <li>• Continuing to create a range of education programmes, resources and delivery models to enable lifelong learning.</li> <li>• Implementing partnerships with Te Wānanga o Aotearoa and Te Pūkenga, that provide learner pathways and opportunities for learning progression for learners</li> <li>• Providing graduate services and professional development</li> <li>• Implementing learner success plan and disability action plan</li> </ul>
6	Has the financial means to continue to arrange vocational education and training to employers and learners post-transition	Yes	<p>Based on the assumptions within the business case the forecast financial implications were favourable over the appraisal period to 31 December 2031, for both capital and operating expenditure.</p> <p>Financial modelling was undertaken on three scenarios to test the resilience and robustness of the financial assumptions: Moderate, high growth and contracted scenarios were tested.</p> <p>The Skills Active Aotearoa financial model benefits from the flexibility of a low fixed cost structure. Personnel costs are around 72% of total operating expenses. Structural changes in revenue can be matched reasonably flexibly by scaling the organisation</p>

## Preferred providers' approach to Arranging Training

Preferred provider	Preferred provider's approach to Arranging Training	How this will meet learner needs	How this will meet employer needs
SKILLS ACTIVE TE MAHI AKO	<ul style="list-style-type: none"> <li>• SKILLS ACTIVE TE MAHI AKO will initially retain the current service models. This includes all the systems, processes and engagement with learners and employers.</li> <li>• The full network of third-party providers, workplace assessors and contracted assessors will continue to support the current service models.</li> <li>• SKILLS ACTIVE TE MAHI AKO will then seek to evaluate and continually enhance its service models, moving toward a future integrated delivery.</li> <li>• This transition approach will ensure all the current ability to support integrated work-based learning will be maintained by:               <ul style="list-style-type: none"> <li>○ Retention of TITO staff</li> <li>○ Continued provision of national coverage and regional reach</li> <li>○ Continued development and provision of learning and assessment resources</li> <li>○ Ongoing provision of flexible learning and assessment (online and paper-based)</li> <li>○ Retention of all required data, information, IT and administrations services to manage learner and client information.</li> <li>○ Having required reporting functions through Kairangi (Salesforce) TMS to</li> </ul> </li> </ul>	<p>This is consistent with all the success factors identified by learners. Please see section 1.2 of the transition plan.</p> <p>In particular:</p> <ul style="list-style-type: none"> <li>○ Maintaining trusted relationships and expertise within work-based delivery in the sectors.</li> <li>○ Continued provision of existing service models, resources, and pastoral care support</li> <li>○ Ongoing provision of flexible learning and assessment provision.</li> <li>○ Ongoing provision of flexible learning and assessment provision.</li> <li>○ Commitment to enhancing future delivery models alongside learners, sectors and other providers</li> </ul>	<p>This is consistent with all the success factors identified by employers and the industry. Please see section 1.2 of the transition plan.</p> <p>In particular:</p> <ul style="list-style-type: none"> <li>○ Maintaining trusted relationships and expertise within work-based delivery in the sectors.</li> <li>○ Continued provision of existing service models, resources, and pastoral care support</li> <li>○ Ongoing provision of flexible learning and assessment provision.</li> <li>○ Commitment to enhancing future delivery models alongside learners, sector and other providers.</li> </ul>

Preferred provider	Preferred provider's approach to Arranging Training	How this will meet learner needs	How this will meet employer needs
	<p>register on the ITR and transition to the SDR.</p> <ul style="list-style-type: none"> <li>○ Continued provision of in-work pastoral care and ongoing enhancements in remote support services.</li> <li>○ Development of individual learning plans by the workplace and with the support of SKILLS ACTIVE TE MAHI AKO</li> <li>○ Maintenance of relationships with schools and other providers to pathways into or through careers and vocational qualifications within the sectors.</li> </ul>		

## Preferred providers' existing capabilities

Preferred provider	Preferred provider's existing capabilities	Plan to obtain additional capabilities
SKILLS ACTIVE TE MAHI AKO	<p>In terms of the proposed transition, SKILLS ACTIVE TE MAHI AKO will acquire all required capability through the transition of all relevant systems, employees, assets, intellectual property and relationships that currently support learners and employers in arranging training and other activity functions being transferred.</p> <p>The transition effectively ensures that the current service models are transitioned as a going concern.</p>	<p>SKILLS ACTIVE TE MAHI AKO will continue to obtain additional capabilities to deliver on the bespoke work-based learning requirements of employers and learners within the sector, as a PTE, in a manner that complements, rather than competes with existing provision. This includes learning facilitation and off-job training packages.</p>

Preferred provider	Preferred provider's existing capabilities	Plan to obtain additional capabilities
	<p>Residual assets, IP and services will be accessed from Skills Active through a corporate shared service and support agreement.</p> <p>This will include:</p> <ul style="list-style-type: none"> <li>• 17 FTE permanent staff covering ICT, Marketing, HR, Operations processes, cultural support, Finance and Legal support and</li> <li>• Up to 7 FTE contracted staff covering further areas of support.</li> </ul> <p>34 FTE will be within SKILLS ACTIVE TE MAHI AKO made up of the Education and Learner and Client Experience groups.</p> <p>An establishment board is being confirmed which includes:</p> <ul style="list-style-type: none"> <li>• The chair of Skills Active Board</li> <li>• Steve Ruru, independent advisor to the Skills Active Board</li> <li>• Up to two independent directors with relevant industry and educational expertise.</li> </ul> <p>Maren Frerichs, Skills Active Chief Operating Officer, has been appointed interim chief executive for SKILLS ACTIVE AOTEAROA.</p> <p>The draft corporate structure for the Skills Active group was approved by the Skills Active board and can be found in the receiving plan in Appendix 10.</p> <p>A shared service and support agreement will be drafted for the NZQA application which will be submitted at the end of February 2022.</p>	<p>As well as building learning facilitation capabilities Skills Active will continue to develop its learner support services to enhance the learner experience.</p> <p>We anticipate this flexibility of provision allowing SKILLS ACTIVE TE MAHI AKO to respond to employer needs and skills shortages.</p>

Preferred provider	Preferred provider's existing capabilities	Plan to obtain additional capabilities
	<p>Existing capabilities within the Skills Active Group include:</p> <ul style="list-style-type: none"> <li>• Strong governance and management capability in vocational education</li> <li>• Significant training infrastructure and staff to support work-based learning in many of the sectors being transitioned. And through its staff and network of assessors has access to skills adult educators to undertake off-job learning facilitation.</li> <li>• Staff will all have employment agreements in place ahead of the transfer to SKILLS ACTIVE TE MAHI AKO.</li> <li>• SKILLS ACTIVE TE MAHI AKO will continue to operate out of Skills Active existing premises through a service agreement.</li> <li>• Skills Active and Skills Active Te Mahi Ako have agreed to the transfer of agreed assets and agreed liabilities, systems and products, and all staff-related to the Specified Arranging Training Activities.</li> </ul>	

## Details of transitioning programmes, learners and standard training measures

A detailed analysis of the programmes and learners by receiving organisation (as of October 2021) is provided in Appendix 11.

The following tables provide summarised Mix of Provision details for the period from 01/01/2022 to 31 December 2025 based on actual learner enrolment at October 2021 and projections within a COVID-19 recovery lens.

Fund Type	Qualification Level	2022 Learner Numbers	2023 Learner Numbers	2024 Learner Numbers	2025 Learner Numbers

IT	L01	0	0	0	0
IT	L02	25	50	60	60
IT	L03	2845	2914	3120	3160
	L03 unfunded	499	500	500	500
IT	L04	740	713	742	874
IT	L05	80	107	158	185
IT	L06	0	0	0	0
IT	L07	0	0	0	0
NZA	L04	1090	1015	865	820
Training packages		10	10	60	110
<b>Total</b>		<b>5289</b>	<b>5359</b>	<b>5505</b>	<b>5709</b>

#### Summary of standard-setting and arranging training transitions - programmes with enrolments in 2021

Sector	Programme	Trainee #	Workplace #	WDC	Provider
Aquatics & Comm Rec	Aquatics (L3) v1 Pool Lifeguard	9(2)(b)(ii)		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Aquatics & Comm Rec	Aquatics (L3) v1 Swim and Water Safety Teacher			Toi Mai	SKILLS ACTIVE TE MAHI AKO
Aquatics & Comm Rec	NZ Apprenticeship - Aquatics (Senior Pool Lifeguard) L4			Toi Mai	SKILLS ACTIVE TE MAHI AKO
Aquatics & Comm Rec	NZ Apprenticeship - Aquatics (Specialised Swim & Water Safety Teacher)			Toi Mai	SKILLS ACTIVE TE MAHI AKO
Aquatics & Comm Rec	NZ Apprenticeship - Facility Operation			Toi Mai	SKILLS ACTIVE TE MAHI AKO
Aquatics & Comm Rec	NZ Apprenticeship - Sport and Recreation Programme Delivery (L4)			Toi Mai	SKILLS ACTIVE TE MAHI AKO

Aquatics & Comm Rec	Pool Lifeguard Practising Certificate	9(2)(b)(ii)	Toi Mai	SKILLS ACTIVE TE MAHI AKO
Aquatics & Comm Rec	Sport and Recreation (Programme Delivery) v1 (L4)		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Aquatics & Comm Rec	Sport, Exercise and Leisure Operations v1 (L3)		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Exercise	Exercise (L4)		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Exercise	Exercise (L5) v1		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Exercise	Fitness (Group Fitness) (L3) v1 Freestyle		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Exercise	Freestyle Group Exercise v1 (L4)		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Exercise	NZ Apprenticeship - Exercise Professional		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Exercise	NZ Apprenticeship - Multi-skilled Exercise Instructor (Freestyle)		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Exercise	NZC in Pre-choreographed Group Exercise (L3) v1		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Exercise	Pre-designed Exercise Instruction		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Māori and Multi industry	Adult and Tertiary Teaching (L4) v1		Toi Mai	Te Pūkenga

Māori and Multi industry	Assessment Practice v1 L4	9(2)(b)(ii)	Toi Mai	SKILLS ACTIVE TE MAHI AKO
Māori and Multi industry	Business (Administration and Technology) (L3) v1		Toi Mai	Te Pūkenga
Māori and Multi industry	Business (First Line Management) (L4) v1		Toi Mai	Te Pūkenga
Māori and Multi industry	Business (Introduction to Team Leadership) (L3) v1		Toi Mai	Te Pūkenga
Māori and Multi industry	Māori Business and Management (L3) v1		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Māori and Multi industry	Tikanga (L2) (Mātauranga Māori) v1		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	LCP National Whitewater Award – Raft Grade 3		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	LCP National Whitewater Award – Raft Grade 4/5		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	LCP National Whitewater Guide Award - Senior Raft Grade 3		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	LCP National Whitewater Guide Award - Senior Raft Grade 4/5		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	NZ Apprenticeship - Outdoor Leadership (L4) v3		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	NZ Apprenticeship - Outdoor Leadership (L4) v1		Toi Mai	SKILLS ACTIVE TE MAHI AKO

Outdoor Recreation	Outdoor Experiences (L3) v1	9(2)(b)(ii)	Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	Outdoor Experiences (L4) v1		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	Outdoor Leadership (Guiding) (L5) v1 (Mountain Biking)		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	Outdoor Leadership (Guiding) (L5) v2 (High Wire)		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	Outdoor Leadership (Instruction) (L5) v1 Rock Climbing		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	Outdoor Leadership (Instruction) (L5) v1 Bush		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	Outdoor Leadership (Instruction) (L5) v1 Education Outside the Classroom		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	Outdoor Leadership (Instruction) (L5) v1 Mountain Biking (Grade 4)		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	Outdoor Leadership (Instruction) (L5) v2 High Ropes		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	Outdoor Leadership (L4) v1 Bush		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	Outdoor Leadership (L4) v1 Caving		Toi Mai	SKILLS ACTIVE TE MAHI AKO

Outdoor Recreation	Outdoor Leadership (L4) v1 EOTC	9(2)(b)(ii)	Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	Outdoor Leadership (L4) v1 Mountain Biking (Grade 2)		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	Outdoor Leadership (L4) v1 Rock Climbing		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	Outdoor Leadership (L4) v2 Abseil		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	Outdoor Leadership (L4) v2 High Wire		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	Outdoor Recreation (Leadership) (L3) v1 Kayaking		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	Outdoor Recreation (River Guide) (L4) v2 - Grade III		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	Outdoor Recreation (River Guide) (L4) v2 Senior Raft Guide - Grade III		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Outdoor Recreation	Outdoor Recreation (River Guide) (L4) v2 Senior Whitewater - Grade III/IV		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Performing Arts	Entertainment and Event Operations v1 (L3)		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Performing Arts	NZ Apprenticeship - Entertainment and Event Technology		Toi Mai	SKILLS ACTIVE TE MAHI AKO

Snowsport	Alpine Resort Operations (L3) v2	9(2)(b)(ii)	Toi Mai	SKILLS ACTIVE TE MAHI AKO
Snowsport	Avalanche Risk Management (L5) v2		Toi Mai	Te Pūkenga
Snowsport	Introductory Avalanche Risk Management (ARM) (L5) LCP		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Snowsport	Introductory Snowschool Instruction (Applied) (Level 4) (Cross-country)		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Snowsport	Mountain Facility Operations (L3) v2		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Snowsport	NZ Apprenticeship - Snowsport Equipment Technician		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Snowsport	Snowsport Equipment (L3) Rental Services (v2)		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Snowsport	Snowsport Equipment (L3) Workshop Technician (v2)		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Snowsport	Snowsport Equipment (L4) Workshop Technician (v2)		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Snowsport	Snowsport Patrol (L4) (v2)		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Snowsport	Snowsport Patrol Leader (L5) (v2)		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Sport	Cycle Skills Instruction (L4) (Advanced Skills) (v1)		Toi Mai	SKILLS ACTIVE TE MAHI AKO

Sport	Cycle Skills Instruction (L4) (Beginner Skills) (v1)	9(2)(b)(ii)	Toi Mai	SKILLS ACTIVE TE MAHI AKO
Sport	Cycle Skills Instruction (L4) (Intermediate Skills) (v1)		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Sport	Sport Coaching v1 (L3)		Toi Mai	SKILLS ACTIVE TE MAHI AKO
Sport	Sport Officiating (L3) v1		Toi Mai	SKILLS ACTIVE TE MAHI AKO
<b>Totals</b>		<b>4286</b>	<b>965</b>	

## 2.2 Service continuity approach

This section describes the planned approach to ensuring continuity of service during the transition of Arranging Training to preferred providers and in ensuring a seamless movement of learners, employers, and industry groups while minimising service disruption as much as possible.

Vocational education improvements are expected to be delivered during the integration and unification phases of the reform, which will occur after the TITO transitions have been completed. Skills Active will not be responsible for these post-transition improvements, however, our employees who will transition to SKILLS ACTIVE TE MAHI AKO are excited by the opportunity to influence and implement these improvements.

Topic	Planned approach,
Retain relevant assets	All relevant assets including IP in learning/assessment resources will be transferred to the receiving provider to which arranging training is transitioned. The intended transfer is indicated in the Term Sheet for the respective transitions provide in Appendix 12.

Topic	Planned approach,
	<p>Services and assets not transitioned will be made available through a shared service agreement between Skills Active and SKILLS ACTIVE TE MAHI AKO.</p> <p>No tangible assets were transferred to WDCs.</p> <p>Skills Active is intending to retain assets not directly relevant to arranging training activities.</p>
Maintaining service levels for existing learners	<p>The intended transition ensures that current service models and relationships will remain unchanged through the immediate transitions and provide for a period under which the receiving provider has agreed to maintain these models for the period following the transition. This expectation and the approach under which this will be achieved are outlined in each of the Term Sheets covering the agreed transition approach provided in Appendix 11.</p>
Manage risks related to under-served learners	<p>the commitment of SKILLS ACTIVE TE MAHI AKO as the receiving provider in this regard is genuine and extends beyond any formal obligation created in the Transition Agreement.</p>
Minimise disruption to employers and industry groups	<p>Skills Active, therefore, does not believe that any learners or employers will experience changes in service level, risk or disruption because of the transition.</p> <p>SKILLS ACTIVE TE MAHI AKO intends to enhance the current service models once the regulatory and funding constraints for arranging training are removed and once, they can fully evaluate and manage any impact on learners and employers through a full understanding of the current service models.</p> <p>All employers and learners have been kept well informed of RoVE changes through regular communication and marketing. Once the transition plan has been approved a transition letter will be sent to learners and clients. This will be followed up by another letter on PTE accreditation. Ongoing communication will also occur through our network of training advisors.</p>
Minimise disruption to existing education and training providers	<p>Skills Active has agreed with the receiving provider that the existing network of provision including providers and assessors is to be maintained until at least December 2022.</p>
Continue school-focused activities	<p>All school-focussed activity and the employees involved in this will be transitioned to SKILLS ACTIVE TE MAHI AKO and will continue under current service models.</p>

## 2.3 Retention of people, skills, knowledge, experience and relationships

- Skills Active currently operates an integrated service model across its sectors in which training is arranged and where learner/employer facing functions are reliant on support systems and people. As outlined in the initial version of our Transition Plan, the key risk regarding people, skills, knowledge and experience and the consequential disruption for learners and employers would arise through fragmentation of the currently integrated service model between providers and functions, particularly if this was undertaken without a full understanding of the potential impact. The intended transition in which all of Skills Active’s arranging training, other activities and support functions are transitioned to SKILLS ACTIVE TE MAHI AKO, or are available through Skills Active Shared Services, addresses this risk.
- Except for a small number of general administrative and transactional roles, current Skills Active staff all have key skills, knowledge, experience and relationships that need to be retained within the system generally but specifically within the arranging training functions for the sectors currently supported by Skills Active.
- Skills Active has consistently sought transition arrangements that best ensure key skills, knowledge, experience and relationships are retained through the transition and so that current service models are not disrupted. This enables receiving organisations to then ensure that they fully understand the current service models, interdependencies and evaluate any impact on learners, employers and employees service models evolve.
- Skills active TITO is a small, passionate, high performing team with a shared mission to support learners, workforce and sector success. The transfer of staff from Skills Active to SKILLS ACTIVE TE MAHI AKO ensures the retention of an experienced team with full capability in arranging training and a passion to further enhance the experience of learners.
- Skills Active’s high-level approach has been to:
  - Ensure that retention incentives were put in place from 2019. These are intended to ensure retention until transition.
  - Ensure employees are fully informed of progress and thinking as RoVE transition options are developed and ensure that, as far as possible, our people are positive about the proposed changes. This has been and will continue to be achieved through leadership, extensive internal communications, pulse/engagement monitoring and an approach of transparency.
  - Optimise the opportunities available for all staff in the post-RoVE system by identifying skills that will be particularly valued and implementing focussed professional development and support at individual, team and organisation levels.
  - Advocate strongly for transition approaches that minimise the impact on employees, particularly in ensuring that wherever possible current employees will be directly matched to roles in receiving organisations.
  - Advocating strongly for any required formal staff consultation in current organisations and recruitment into receiving organisations being run synchronously through open and fair processes for all employees in the current system.

- Ensuring that there is personal support available to our people throughout the entire process and, should it eventuate, providing outplacement support for any employees not successful in obtaining a role in a post-transition organisation.
- The organisational structure was approved by the board in January 2022, A formal restructuring process will be undertaken and overseen by an HR specialist in Q1, to facilitate the transition of staff into SKILLS ACTIVE TE MAHI AKO. A document will be prepared for staff outlining the process for staff moving into the PTE. Alongside the communications and advice document, the available job roles and descriptions will be provided to staff clearly and transparently in early 2022.
- This process includes the appointment of the PTE board (and establishment board) in early and mid-2022, the appointment of the (interim) chief executive (Maren Frerichs), and the executive leadership team ahead of the NZQA application on 28 February 2022. The proposed organisational structure includes a redistribution of responsibilities across the senior leadership team within SKILLS ACTIVE TE MAHI AKO and Skills Active Shared Services. A matching process will be undertaken with existing SLT members to fill these roles.
- Following the development of and engagement on the restructuring proposal. Formal applications for each job role will be requested and these will be reviewed by the SKILLS ACTIVE TE MAHI AKO Interim Chief Executive and the HR specialist. Letters of commitment will be provided in Q1 2022, to come into effect ahead of the commencement date of 1 October.
- Further developing existing staff capability and providing visible opportunities and pathways with SKILLS ACTIVE TE MAHI AKO is a key component, in future-proofing the organisation and retaining a passionate, strong, engaged team moving forward. An individual and organisation-wide learning and development strategy will be put up in mid-2022.
- Skills Active is prepared to discuss the proposed structure and roles with TEC's RoVE transition team but not to provide it with its change documentation due to sensitivity concerning individuals.

#### **Roles that Support Arranging Training Only and Support Roles**

- The intended arranging training transitions achieve our objectives to the greatest extent possible.
- Skills Active and the SKILLS ACTIVE TE MAHI AKO will agree on arrangements under which the receiving entity will offer employment on the same terms and conditions for Skills Active's direct, indirect and support roles that support the arranging training or other activities of SKILLS ACTIVE TE MAHI AKO.

### **Standard Setting Roles and Roles that support both Arranging Training and Standard Setting.**

- Skills Active engaged with the WDC Establishment Unit and WDC in the section and onboarding of staff into the WDC. This work was completed in October 2021. Skills Active retained all roles within the organisation post-transition, with an enhanced arranging training focus.

### **Recruitment into Transitioning Structure**

- The process for recruitment of newly created roles within the SKILLS ACTIVE TE MAHI AKO structure will be consistent with the best recruitment practice. Applications will be invited from any interested existing Skills Active employees and a selection process will then be undertaken under the leadership of the Skills Active Chief Operating Officer, Skills Active HR Specialist and the Chief Executive / Acting Chief Executive for SKILLS ACTIVE TE MAHI AKO.

### **Recruitment into WDCs**

- Skills Active engaged with the WDC Establishment Unit and WDC in the section and onboarding of staff into the WDC. This work was completed in October 2021.

### **Risks**

- There is an unavoidable risk to the system, for SKILLS ACTIVE TE MAHI AKO and the WDCs, of some employees choosing not to pursue a role or not to accept an offer. Each of these employees has critical skills and experience in standard-setting and in the VET system that is likely to be challenging to acquire. There is a risk of creating competition for talent between providers and each of the WDCs and equal risk of critical skills and experience being lost to the system completely.
- Skills Active will continue to ensure that employees have a positive mindset regarding future roles through leadership and internal communications.
- SKILLS ACTIVE TE MAHI AKO will be expected to continue to mitigate this risk within its operations.

## 2.4 Transition of information and assets

### Key categories of information needed for transition

Category of information	Approach to transition	Key risks
<p>Details of employers, providers and learners, and their relationships with TITO</p>	<p>This data is held in the Trainee Management System and document files. The Trainee Management System data will be transferred as a new licence and an instance is developed for SKILLS ACTIVE TE MAHI AKO, ahead of the transition day.</p> <p>This is a back-office exercise that is not expected to impact any learners or employers.</p> <p>The current TMS and LMS will stay in place. Developments are being tested to eventually connect to the SDR.</p> <p>All learners and employers will be notified of the move from Skills Active to SKILLS ACTIVE TE MAHI AKO by way of transition letters.</p> <p>All learner and employer records in hardcopy or a digital form will transition intact to the SKILLS ACTIVE TE MAHI AKO with restricted access by the same people administering the data access including:</p> <ul style="list-style-type: none"> <li>- training agreements, learner ID and records</li> <li>- learner training plans and progress reports</li> <li>- learners' assessments and evidence</li> <li>- all correspondence</li> </ul>	<p>No significant risk was identified.</p>

Category of information	Approach to transition	Key risks
	- marketing material, including photos and videos	
Details of the needs of learners, employers and industries, relevant to transitioned activities	<p>Skills Active staff currently work with and have an in-depth understanding of the learners, employers and industries for which activities are being transitioned</p> <p>The institutional knowledge concerning all other sectors being transitioned to SKILLS ACTIVE TE MAHI AKO will be transferred with the employees and the intact and integrated service model.</p>	No significant risks identified
Details of relevant functions, contracts, IP, systems, policies, ongoing projects, and how these relate to future needs for learners and employers	<p>Skills Active will transfer all relevant IP and contracts, its learning packages, and resources (in the form of assessments, study notes and digital products), which it has invested in and developed over many years to support the delivery of industry training and apprenticeship programmes. These are identified in the Term Sheets provided in Appendix 11.</p> <p>SKILLS ACTIVE TE MAHI AKO will continue to develop and grow these functions to meet the needs of industry/employers/learners.</p> <p>These resources are continually reviewed and developed in both written form and as digital assets. Each learning resource is maintained with a review cycle of five years or less to ensure it meets the needs of learners particularly in the light of changing technologies.</p> <p>SKILLS ACTIVE TE MAHI AKO is developing its policies related to governance, employment, and HR issues.</p>	<p>No risk is perceived here; however, a potential risk here could be the loss of data or the risk of resources not being able to be provided to the same high standard as they currently are.</p> <p>These risks are being mitigated by carrying over the same dedicated team members who are familiar with the functions, contract and IP. Ensuring a cross-team approach to engagements' in projects and contracts, and ensuring shared knowledge and succession planning of experienced staff members.</p> <p>The resources that are transferring to SKILLS ACTIVE TE MAHI AKO will allow a BAU approach to ensure the same high standard and consistency is maintained through the transition process.</p> <p>All information is retained within current IT provider filing systems, backed up with security protocols in place. SKILLS ACTIVE TE MAHI AKO will continue to operate out of Skills Active's current premises so no</p>

Category of information	Approach to transition	Key risks
	All relevant ongoing projects and work completed to date, related to arranging training, will transfer to SKILLS ACTIVE TE MAHI AKO upon transition.	files will be physically transferred or removed from the site.
Details of careers information guides and related activities	<p>Skills Active marketing and promotional material will transfer to SKILLS ACTIVE TE MAHI AKO as part of the service and support agreement. Before the transition, all the current marketing brochures, banners, resources, new website, vehicle branding, and uniforms will have been rebranded to SKILLS ACTIVE TE MAHI AKO 1 October.</p> <p>We are also in the process of creating a new launch video to support the transition and help with discussions at careers days and what we do to support learners etc.</p>	Skills Active's current website will remain with a redirect link to SKILLS ACTIVE TE MAHI AKO newly developed website with an explanation so communities and stakeholders are informed of the change.
Business roadmap or other plans showing the intended vision for the development of Arranging Training activities	<p>A new strategy and business plan were developed for SKILLS ACTIVE TE MAHI AKO and is submitted with this transition plan.</p> <p>All other strategies, roadmaps and plans will continue to guide the subsidiary as it moves forward.</p>	No significant risks identified
Any other information transferring to the Receiving Organisation(s)	No other information has been identified	

## Key categories of assets needed for transition

- Skills Active intends that all assets needed for transition will be gifted to SKILLS ACTIVE TE MAHI AKO. This will be achieved through an asset/liability transfer agreement for notional consideration.
- All assets will be transferred through an Asset Transfer Agreement (Sale and Purchase) mechanism.

- Contracts and licences will be novated or replaced with new contracts with the receiving organisation as the contracting party
- Vehicle Registration will be transferred to Skills Active Te Mahi Ako through an Asset Transfer Agreement (Sale and Purchase) mechanism.
- Physical assets and any digital content will be physically transferred on or before the transition date

Category of assets	Approach to transition	Key risks
Trainee Management Systems	The Skills Active TMS and LMS including all functionality, and licencing will remain with Skills Active and a service agreement established with SKILLS ACTIVE TE MAHI AKO. A new instance of the TMS will be developed for the new provider ahead of the transition date and relevant current/historic data will be transferred to the new provider.	No significant risks identified
Employer Key Account systems	This data is integrated within the CRM functionality of the TMS and will be transitioned as above.	As above
Other IT systems	All existing IT systems including the hosted servers, network including Wi-Fi, software licencing, video meeting room technology, data warehouse/Power BI reporting portal, FMIS, HRIS, vehicle & driver tracking, payroll etc will remain with Skills Active under a service agreement with SKILLS ACTIVE TE MAHI AKO.	No risks identified
Hardware and equipment	All hardware and equipment will remain with Skills Active under a service agreement with SKILLS ACTIVE TE MAHI AKO.	No risk identified
Vehicles	Skills Active will transfer ownership of vehicles to SKILLS ACTIVE TE MAHI AKO. Servicing and maintenance will be managed through Skills Active Shared Services.	No risks identified

Category of assets	Approach to transition	Key risks
Other assets (e.g. Intellectual Property, Brands)	<p>Intellectual property and digital content in learning and assessment resources used to support arranging training will be gifted to SKILLS ACTIVE TE MAHI AKO.</p> <p>All other intellectual property and branding will be retained by Skills Active.</p>	No risks identified

## 2.5 Commercial and legal processes

This section describes the commercial and legal processes and the proposed due diligence process:

### Due diligence

- Skills Active has completed extensive due diligence concerning the transition implementation. In the course of this due diligence, Skills Active has reviewed and considered the capability and requirement for SKILLS ACTIVE TE MAHI AKO, with relation to:
  - Management and staff capability
  - Quality Management System including policies and procedures
  - Financial viability and current Financial Monitoring
  - Existing accreditation and consent to assess covering the programmes and unit standard assessment being transitioned
  - Physical training facilities/equipment and ability to access additional/workplace equipment as required
  - EER requirements
  - Moderation outcome history
  - Commitment and capability to maintain and support current service models for learners and employers
  - Maintaining reputation with employers and learners including ascertaining their support for this transition

### Structure and assets

#### Overview

- The transition of staff and assets for SKILLS ACTIVE TE MAHI AKO has been considered in depth by the Skills Active Board. This transition is supported by a comprehensive strategy and business plan that Skills Active believes will ensure that there is no disruption to learners/employers and will enable SKILLS ACTIVE TE MAHI AKO to ultimately become a vibrant and sustainable provider.
- Skills Active has agreed Term Sheets (heads of agreement) detailing the key agreements concerning the transition (Appendix 12). This will be formalised in a formal and conditional Transition Agreement before TEC approval of this Transition Plan.
- Skills Active and SKILLS ACTIVE TE MAHI AKO expect TEC to undertake a funding wash up that reflects the date of transition.

- A Completion Checklist will be prepared and agreed upon following approval of the transition to allow monitoring of all activity required to achieve the transition.

### **Design approach and logic**

- Over the past six months, we have assessed the requirements of the Skills Active group and specifically SKILLS ACTIVE TE MAHI AKO to effectively function as the preferred partner and provider of high-quality work-based learning. The process has included:
  - Review of NZQA PTE requirements
  - Development of an operating model involving 10 operating model design workshops with Skills Active Group staff from August – November 2021; which aligned with the outcomes sought through the reform
  - Three SMT and Leadership Team workshops
  - A desktop review of tertiary education organisation structures in NZ, Australia and the UK
  - Advice from QTI PTE peak body and Arahanga Associates (tertiary education specialists)
  - Review and alignment of founding documents with Te Pūkenga Charter and constitution.
- We considered the structural requirements needed to meet TEC's transition criteria. These criteria are aimed at ensuring a seamless movement of learners, employers and industry groups while minimising existing service disruption as much as possible. They include the relevant expectations of providers to:
  - Have or will have proven capability to provide 'fit-for-purpose' work-based learning support to employers and learners
  - Can support work-based learning and provide national coverage where appropriate
  - Meet employer needs in respect of localised or regional training differences
  - Have the financial means to continue to arrange vocational education and training to employers and learners post-transition.
- In addition to continuing the servicing of existing learners and clients as a PTE specialising in work-based learning, new functional and servicing requirements were identified that need to be integrated into the new entity. A full breakdown of these is provided in the operating model appended to the receiving plan. Highlights include:

- Developing programmes and study, kaupapa Māori educational products and smaller packages of learning
  - Collaboration with SA Group entities (audit, quality and risk assurance)
  - Facilitation of learning and training (delivery)
  - Learning support and learner pastoral care (including community and whānau engagement)
  - Progression of learning through collaboration with other providers
  - Potential management of campus/facilities for learning
  - Management and collaboration across multiple SA Group boards
  - New business development
- The organisational capabilities were also identified influencing how we need to organise ourselves to best execute our functions. This included consideration of the following elements:

**Operational governance:**

- Giving effect to te Tiriti o Waitangi at all levels
- Increasing internal and external connectivity and engagement
- Developing agile and empowered people/teams through cross-functional teams
- Embedding the voice of learners, clients, assessors and learning facilitators across all of our work

**Process and insights:**

- Enhancing learner and workforce planning
- Increasing collaboration with other parts of the VET system
- Strengthening learner focus
- Providing enhanced learner and client support mechanisms
- Integrating teaching and learning elements over time

### **Systems, technology, people and talent**

- Maintaining flexible system approaches
  - Uplifting existing capability within the SA Group
  - Continuing to grow a strong organisational culture
  - Growing the capability of the broader Skills Active workforce (500 assessors and future learning facilitators)
  - Growing our position as an employer of choice
- To meet these requirements an operating structure is presented which aims to enable a responsive network of service, with a high degree of empowerment, strong communication and rapid information flow. The model aims to be flexible and scalable. It is intended to be responsive to funding changes and an evolving operating environment, without losing servicing quality.
  - Three design options were considered by the Skills Active Board, which included a financial shared service, a corporate shared service, and no-shared services (a 'one-entity') model. The preferred structure is outlined below.

### **Proposed structure and rationale**

- There will be a lot of change in the vocational education sector over the next five years as the reform of vocational education continues to take shape. Implementation of the eight changes of the reform will require us to be responsive and adaptive to the changing environment. While we navigate this significant change process, we are grounded by the following goals over the next three-five years:
  1. Improve learner outcomes particularly for Māori, Pacific people, people with disabilities and apprentices
  2. Provide enhanced support for life-long learning pathways
  3. Maintain responsiveness to iwi, employers and other organisations through the reform
  4. Maintain and increase organisational sustainability and resilience
- The draft structure of SKILLS ACTIVE TE MAHI AKO includes approximately 34 permanent FTE made up of the Education and Learner and Client Experience groups.
- An establishment board is being confirmed for SKILLS ACTIVE TE MAHI AKO which includes:

- The chair of Skills Active Board
  - Steve Ruru, independent advisor to the Skills Active Board
  - Up to two independent directors with relevant industry and educational expertise.
- Maren Frerichs, Skills Active Chief Operating Officer, has been appointed interim chief executive for SKILLS ACTIVE TE MAHI AKO.
  - Alongside the creation of a PTE, we are looking to reshape part of the existing Skills Active Aotearoa organisation into a corporate Shared Services entity, which will provide corporate services to current and future Skills Active Aotearoa Group entities.
  - Skills Active Shared Services includes 15 FTE permanent staff covering ICT, Marketing, HR, Operations processes, cultural support, Finance and Legal support and up to 7 FTE contracted staff support.
  - The draft corporate structure for the Skills Active group was approved by the Skills Active board and can be found in the receiving plan in Appendix 10.
  - A shared service and support agreement will be drafted for the NZQA application which will be submitted at the end of February 2022.
  - It is important for us to future-proof the organisation, and part of this is to have the ability to keep our eyes open for new business development opportunities which are complementary to our constitutional mandate to meet the education and training needs of the sectors we service. By creating a separate Shared Service, we will ensure SKILLS ACTIVE TE MAHI AKO can focus on its core business of providing high-quality vocational education to our learners, while Qualworx can continue to focus on its core business of empowering its clients to meet the highest standards of quality and safety. The structure protects SKILLS ACTIVE TE MAHI AKO to have an undisturbed focus within the evolving vocational education and training system, and a bespoke and fit for purpose constitutional foundation, governance and operations; while enabling complimentary business development to support the success of the Group as a whole.
  - The Skills Active Shared Service will have Service Level Agreements with other 9(2)(b)(i) but there is the prospect of additional future entities which creates an exciting opportunity for staff to apply their skillsets to multiple areas focussed on learner success in the sectors we service.
  - As such, relevant assets for the delivery of arranging training functions will be transferred to SKILLS ACTIVE TE MAHI AKO. Skills Active assets that have value to multiple entities within the group will remain with Skills Active and made available through its shared service provision.
  - While we will be three entities, we will work together to promote a unified approach to our values and guiding principles, in particular embodying kotahitanga. Kotahitanga is the expression of collaboration; it is speaking with one voice: acting with one mind and moving in unison.

## Legal compliance

- SKILLS ACTIVE TE MAHI AKO is a subsidiary of Skills Active Aotearoa and has been incorporated by Skills Active Aotearoa to carry on the Arranging Training Activities per the Education and Training Act. It shall be subject to, must comply with, and shall not contravene, the Education and Training Act to the extent that such Act applies to the Company.
- As a subsidiary of Skills Active, the SKILLS ACTIVE TE MAHI AKO may carry out other educational activities under the Education and Training Act and its accreditation provided by NZQA.
- The Board of SKILLS ACTIVE TE MAHI AKO will be accountable for the performance of the Company; the achievement and wellbeing of its learners; and that the Company is properly and sustainably managed and resourced to achieve its aims, objectives and targets. This accountability includes ensuring that relevant legislation, rules and regulations are complied with and that practices are safe, legal and ethical.
- A governance framework assessment was carried out on the constitution and supporting documents of SKILLS ACTIVE TE MAHI AKO by **9(2)(a)**  
[REDACTED]

#### Treatment of TITO assets

Assets	<p>All Specified Arranging Training Assets to transfer from Skills Active Aotearoa to SKILLS ACTIVE TE MAHI AKO will be agreed upon between the parties based on the discovery exercise and listed in a Schedule to the Transfer Agreement. Transferring Assets will include the transferring intellectual property, which itself will include:</p> <ul style="list-style-type: none"> <li>• all copyright and other intellectual property rights in the Arranging Training Assets.</li> </ul> <p>It will not include the brand name Skills Active Aotearoa or any registered trademarks, logos and domain names; and Skills Active Aotearoa will give a warrant to this effect as set out in 20 below.</p>
Assumed Liabilities	<p>Subject to agreement on Transferring Operating Funding, SKILLS ACTIVE TE MAHI AKO will assume liabilities directly attributed to the Specified Arranging Training Activities. These will be identified in a schedule or such other place as Skills Active Aotearoa may advise. However, the objective is for SKILLS ACTIVE TE MAHI AKO to have full visibility over the liabilities it is assuming (including contingent liabilities).</p>
Excluded Assets	<p>Skills Active Aotearoa’s skill standards and qualifications activities (the Skills Standards Activities) were transferred to Workforce Development Council(s) (WDCs) in October 2021.</p> <p>Accordingly, any assets exclusively relating to Skills Standards and Activities (Skills Standard Assets) will not transfer to SKILLS ACTIVE TE MAHI AKO.</p>

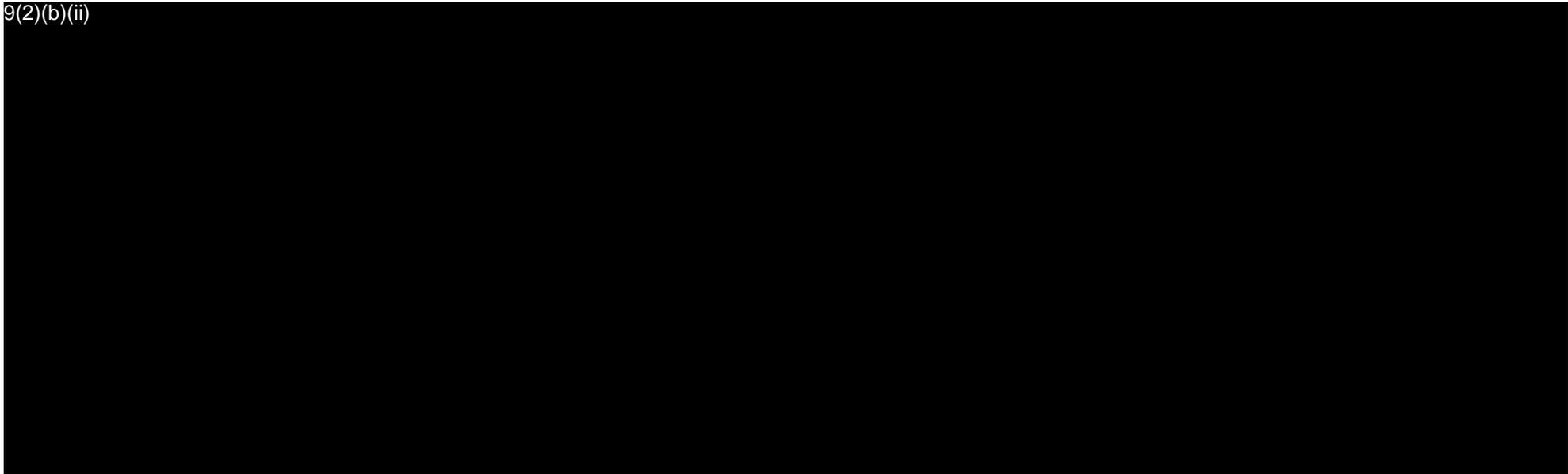
	Also, any other assets not exclusively relating to Specified Arranging Training Activities and not listed as a Specified Arranging Training Asset will not transfer to SKILLS ACTIVE TE MAHI AKO.
Excluded Liabilities	Liability will be excluded if it is not an Assumed Liability, and thereby not related to Specified Arranging Training Activities.
Employees	As part of the discovery exercise, Skills Active Aotearoa will confirm each employee to be offered the opportunity to transfer to SKILLS ACTIVE TE MAHI AKO on the basis that they are engaged in Specified Arranging Training Activities.

Employees transferring to SKILLS ACTIVE TE MAHI AKO are referred to as Transferring Employees. Before Completion, it will be necessary to agree on the formula for calculating the accrued employee leave entitlements for Transferring Employees. The actual amount will be calculated on the Completion Date (see below section on the Transferring Operational Funding).

To ensure operational continuity for the new business unit, it has been agreed that SKILLS ACTIVE TE MAHI AKO will issue an offer of employment to all identified employees of Skills Active Aotearoa involved in Specified Arranging Training Activities. It is not intended that SKILLS ACTIVE TE MAHI AKO will select employees to transfer.

In line with the intent of clause 58 of Schedule 1 of the Education and Training Act, Offers of employment made by SKILLS ACTIVE TE MAHI AKO to Skills Active Aotearoa staff will be on the same terms and conditions as enjoyed by the employee before the Completion Date.

9(2)(b)(ii)



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**Transferring Operational Funding** To ensure that SKILLS ACTIVE TE MAHI AKO can meet its operating and capital investment requirements for the FY 2022 and to the extent that there are any budgeted commitments already approved by Skills Active Aotearoa for the remainder of the financial year after the Completion Date (and into 2023 where Completion is to occur in the latter part of 2022), it is necessary for specific components of Transferring Operational Funding to be identified and be transferred. The components include the following:

**TEC funding**

Any TEC funding already received by Skills Active Aotearoa for Specified Arranging Training Activities to be performed post-completion will be transferred for use within SKILLS ACTIVE TE MAHI AKO. This will be determined using a wash-up calculation agreed with TEC.

**Non-TEC funding**

A similar principle will be applied to any non-TEC funding, such as funding from industry bodies, employers and/or student or apprentice fees (Other Funding). Where Skills Active Aotearoa has already received any Other Funding for Arranging Training Activities to be performed post Completion, that Other Funding should be transferred to SKILLS ACTIVE TE MAHI AKO who will assume the liability of delivering the relevant activities.

Parties will identify, through the discovery exercise, whether any existing contracts for the provision of that Other Funding will be assigned from Skills Active Aotearoa to SKILLS ACTIVE TE MAHI AKO, or whether SKILLS ACTIVE TE MAHI AKO should enter into/negotiate new contracts (depending on the relevant counterparty).

**Operational funding** is required to complete the resource investment plans/investment projects approved and committed to before completion but to be completed after completion

Skills Active Aotearoa will transfer any funding that has already been budgeted for certain future spending in its latest strategic plan or such other term as is applied to planned expenditure on investment projects (Strategic Plan).

To fulfil the planned operational/capital expenditure set out in any such Plan concerning the Arranging Training Activities (Planned Expenditure), some of that spending will need to be completed by SKILLS ACTIVE TE MAHI AKO post-completion.

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If there is insufficient cash received from the operations of the Arranging Training Activities (based on existing forecasts) to fully fund the Planned Expenditure, then it is agreed that any shortfall between:

- (a) the spending required to complete the Planned Expenditure; and
- (b) the aggregate of the Transferring Operational Funding and forecast cash flow post-completion,

will be included as a part of the Transferring Operational Funding, to cover that shortfall.

This is to ensure that the quality of the delivery to Specified Arranging Training Activity is not impacted by the Transfer, and the position for apprentices/learners remains seamless.

SKILLS ACTIVE TE MAHI AKO will have consultation rights concerning any new Strategic Plan or budget for FY 2023 (concerning the Specified Arranging Training Activities), where that plan or budget is created after the date of signing this Term Sheet but before the Completion Date.

9(2)(b)(ii) [Redacted]  
[Redacted]  
[Redacted]

**Accrued employee entitlements**

The Transferring Operational Funding will not include the accrued employee entitlements up to the Completion Date for Transferring Employees.

This refers to all accrued entitlements to wages, salaries and leave (including annual leave, alternative holidays and sick leave (as defined in the Holidays Act 2003) of the Transferring Employees, in each case, attributable to their service before the date of transfer to SKILLS ACTIVE TE MAHI AKO and calculated under the applicable accounting Policies.

This is to ensure that there is funding to meet employees' entitlements accrued before the Completion Date. Therefore, Skills Active Aotearoa will make a payment to SKILLS ACTIVE TE MAHI AKO for this value.

**Contingent Transition Costs**

The parties agree that there may be unforeseen costs incurred post-transition by SKILLS ACTIVE TE MAHI AKO.

9(2)(b)(ii) [Redacted]  
[Redacted]

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9(2)(b)(ii)

#### **Ancillary provisions**

Subject to the parties reaching agreement on the principles set out above, the Transfer Agreement would include more detailed provisions, such as the process for agreeing on a settlement statement that sets out the specific amounts as at the Completion Date and the formula for calculating each component of the Transferring Operational Funding.

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#### **Support for structure and assets**

- In November 2021 the Skills Active Transition Business case was presented shareholders unanimously supported the recommendation to establish a PTE.
- At the SGM the drafted Charter and Constitution were also presented. A detailed question and answer document (Appendix 4) was provided ahead of the meeting and an online Q&A session was held the week prior. This document included details on the governance and operation structure, the treatment of reserves and financial surpluses.
- In Mid-December a stakeholder survey was set out with key structural and financial details. Survey respondents were supportive.
- NZQA will be reviewing the structure of the PTE through the application process and the formal approval is expected in July, with preliminary feedback available in April and June. The involvement of external suppliers for corporate services is common within providers and we do not anticipate any concerns with the model being presented. The draft SLA will be presented to NZQA to outline the nature of the relationship, services and support between the entities.
- The Skills Active Board had endorsed the structure and details within this transition plan.

## **2.6 Working with external parties**

#### **External Parties**

- NZQA transition of an existing programme of industry training or approval of replacement programmes of study and consent to assess for some domains/unit standards in sectors being transitioned is a critical activity and milestone. Skills Active has discussed the requirements and intentions

regarding transition with NZQA. NZQA has confirmed the transition approach and application process to be adopted for SKILLS ACTIVE TE MAHI AKO. Skills Active will ensure that all required applications have been submitted by 28 February 2022. The following transition timeline has been shared with TEC and NZQA:

- TEC in-principle support of transition approach – 1/12/2021
  - Transition and Receiving plan submitted before 31/01/22
  - Draft NZQA/PTE application submitted 28/02/22
  - TEC Board decision communication 25/03/22
  - Feedback to be received and the second draft of the NZQA document to be reviewed by an external consultant by 1/04/2022
  - Feedback of NZQA/PTE document to be received and reviewed 15/5/2022
  - Final submission of PTE application to be completed 14/6/22
  - PTE licence granted on or before 30/06/21,
  - Any residual Conditions of TEC Transition Plan approval met by 31/07/22
  - Transfer of staff and assets 1/10/2022
  - Commencement of the PTE 03/10/2022
- Skills Active has engaged with schools, third party providers and assessors to ensure that they are aware of Skills Active’s intended approach to maintaining all current arrangements and service models. We will formally communicate confirmation to these interested parties once TEC Board approval is received.

### **Collaboration and Governance**

- Skills Active will continue to engage with TEC’s RoVE programme team and particularly the TITO Transition Lead on an ongoing basis. This activity currently includes scheduled formal meetings and several informal interactions each week involving Skills Active alone, meetings of other TITOs or meetings with Te Pūkenga.

- Skills Active’s transition programme has been led by the Chief Operating Officer since Q1 2020. Additional project management resource is being deployed as required to support the transition. Skills Active has adopted a project management structure comprising the full Senior Leadership Team to oversee Skills Active’s RoVE transition programme. This group will continue to meet fortnightly to review progress, any required interventions and to consider risks until the transition has been completed. The Skills Active Board’s Audit and Risk subcommittee provide a monitoring and advisory role.
- Skills Active staff were engaged in the development of the SKILLS ACTIVE TE MAHI AKO operating model. The functional leads will be establishing working groups to develop implementation approaches for the transition of Finance & IT, People and Culture, Marketing and Communications and Legal activities.
- Skills Active has established regular meetings with Te Pūkenga and Te Wānanga of Aotearoa to progress the collaborative relationships.

## 2.7 High-level work plan

A high-level work plan is provided in Appendix 15. This outlines the workstreams and activities required for transition. Key information concerning this work plan is summarised on the following page:

### Key Activities and Timeframes

Refer to the project schedule and project plan in Appendix 15.

### Key Milestones for TEC Tracking

Suggested milestones where Skills Active will provide written reporting/confirmation to TEC

#	MILESTONE	IMPACT	START	END
<b>Stream 1. Transition Plan Development</b>				
0	Submit Transition Plan TEC	H	31/01/2022	31/01/2022
1	Programme board review (with TITO)	H	08/03/2022	08/03/2022
2	TEC Board Meeting (with TITO) and Decision	H	24/03/2022	25/03/2022
3	Any residual conditions of TEC Transition Plan approval met	M	31/07/2022	31/07/2022
<b>Stream 2. Stakeholder engagement</b>				
4	Shareholder SGM endorses business case	H	18/11/2021	18/11/2021

5	Confirmation of support through a stakeholder survey	M	25/12/2021	25/12/2021
6	Stakeholder change letters released	L	30/08/2022	30/08/2022
<b>Stream 3. Company set up and Receiving Plan</b>				
7	Company registered	L	31/10/2021	2/11/2021
8	Appointment of establishment board and interim CEO	H	31/01/2022	31/01/2022
9	Submit Receiving Plan TEC	H	31/01/2022	31/01/2022
10	Transfers from parent company undertaken	M	01/10/2022	01/10/2022
11	Skills Active Te Mahi Ako Board Appointments	H	01/04/2022	01/10/2022
<b>Stream 4. Operating model and change initiation</b>				
12	Skills Active Staff consultation on the proposed structure	H	07/02/2022	07/02/2022
13	The senior management team accept offers via letters of commitment	H	28/02/2022	28/02/2022
14	Staff accept offers via letters of commitment	H	01/04/2022	01/04/2022
15	Launch change implementation	H	01/08/2022	01/08/2022
16	Transfer of staff and assets	H	01/10/2022	01/10/2022
17	Commencement of the PTE	H	03/10/2022	03/10/2022
<b>Stream 5. NZQA application and educational provision</b>				
18	Submit NZQA application and programmes/consent to assess	H	28/02/2022	28/02/2022

19	Feedback to be received and the second draft of the NZQA document reviewed	M	01/04/2022	01/04/2022
20	Feedback of NZQA/PTE document to be received and reviewed	M	15/5/2022	15/5/2022
21	Final submission of PTE application to be completed	M	14/6/2022	14/6/2022
22	PTE licence granted	H	30/06/2021	30/06/2022
23	Operation as PTE begins	H	1/10/2022	1/10/2022
<b>Stream 6. Funding</b>				
24	Funding approved 2023	H	30/12/2022	30/12/2022
<b>Stream 7. ITR</b>				
25	Complete Bureau/ITR integration with new TMS (in ITR UAT)	H	31/8/2022	31/8/2022
26	Register PTE programmes on ITR Prod	H	30/9/2022	30/9/2022
27	On Transition day (+1-2 days) – Withdraw all ITO Learners and re-enroll under PTE	H	1/10/2022	3/10/2022

## Management

Skills Active has identified the leadership roles with accountability and responsibility for transition and who are supported by programme/project managers with the responsibility to plan and ensure a seamless transition and to coordinate the work plans for functional teams within these organisations. The high-level work plan identifies the Skills Active leadership members with accountability for workstreams and specific activities. The project governance and project approach are provided in Appendix 13.

## Reporting

- Skills Active will provide milestone completion reports against each of the milestones identified above.
- Skills Active will report progress, concerns and risk updates verbally in the transition meetings scheduled by TEC's TITO Transition Lead.
- Skills Active will continue to provide specific information and updates requested by TEC to the extent that these can be reasonably accommodated within resourcing constraints and realistic timeframes.

## Risks

Ref	Risk Class	Risk – IF event THEN consequence	Likelihood	Consequence	Score	Mitigation	Residual risk	Action Status	Owner
R1	External - Political	Govt policy changes that limit Skills Active's transition choices	3	5	15	Seek TEC ongoing advice on policy intentions (accept)	15	Closed	NA
R2	External - Political	Unified Funding policy impacts on the sustainability of Active VET provision	1	4	4	Seek TEC ongoing advice on proposed direction (accept)	4	Closed	NA
R3	External - Political	TEC funding priorities impact on the sustainability of Active VET provision	4	3	12	Ensure WDC hears our industry voice (accept)	12	Closed	MF
R4	External - Social	Pandemic lockdowns reduce/ defer Active Industry skills demand	3	4	12	Pandemic risk planning (accept)	12	Closed	SMT
R5	External – legislative	Regulatory changes reduce (or increase) demand for Active skills	2	3	6	Maintain scalability of capacity/ contracting (reduce)	4	Open	SMT
R6	External – partners	WDC voice insufficient to respond to changing Active industry skill needs	4	2	8	Resource & support WDC lobbying (reduce)	4	Open	BC
R7	External – partners	Potential TEI partners withdraws support limiting Skills Active choices	3	3	9	Partner management - awareness & inform (reduce)	6	Open	MF
R8	External – competition	A TEI fragments the Active portfolio undermining economies of scale	1	5	5	Environmental awareness – risk management (accept)	5	Closed	MF

Ref	Risk Class	Risk – IF event THEN consequence	Likelihood	Consequence	Score	Mitigation	Residual risk	Action Status	Owner
R9	Organisation	Loss of board or staff support undermines proposed changes	2	4	8	Seek support and engagement for proposed direction (reduce)	4	Open	ED
R10	Organisation	Loss of shareholder support for proposed changes	3	2	6	Early shareholder engagement & consultation (reduce)	4	Open	Board
R11	Organisation	Loss of industry support for proposed changes	2	4	8	Early stakeholder engagement & consultation (reduce)	4	Open	MF+BC
R12	Organisation	Loss of key staff undermines capability & capacity to transform	2	4	8	Early change management – awareness & inform (reduce)	4	Open	AC
R13	Transition – design	Design of the Skills Active future state does not meet expectations	2	4	8	Quality assurance processes (reduce)	4	Open	LG
R14	Transition – quality	Quality of future services and training does not meet expectations	2	4	8	Quality assurance processes (reduce)	4	Open	LG
R15	Transition - approvals	SAA fails to obtain necessary approvals from NZQA/TEC to proceed on time	3	4	12	Seek indication of TEC/NZQA requirements (reduce)	8	Open	CC
R16	Transition – delivery	Disruptions result in service delivery failure to trainees/ industry	2	5	10	Critical – contractual risk transfer where appropriate	5	Open	TM
R17	Transition - duration	Delays result in time lags for Active service milestones	2	5	10	Critical – adequate project contingencies (reduce)	5	Open	MF
R18	Transition – change mgt	SAA staff unprepared for changing ways of working	3	2	6	Change management – seek buy-in & training (reduce)	4	Open	SMT
R19	Transition - capability	Loss of project team capability results in disruption to service delivery to trainees	2	5	10	Resource additional coverage (reduce)	5	Open	MF

Ref	Risk Class	Risk – IF event THEN consequence	Likelihood	Consequence	Score	Mitigation	Residual risk	Action Status	Owner
R20	Transition - cost	Unexpected cost pressures impact on project budgets	2	4	8	Resource adequate project contingencies for uncertainty (reduce)	4	Open	AC

## 2.7 Dependencies and Contingencies

The key milestones for NZQA registration are highlighted below:

Stream 5. NZQA application and educational provision					
18	Submit NZQA application and programmes/consent to assess		H	28/02/2022	28/02/2022
19	Feedback to be received and the second draft of the NZQA document reviewed		M	01/04/2022	01/04/2022
20	Feedback of NZQA/PTE document to be received and reviewed		M	15/5/2022	15/5/2022
21	Final submission of PTE application to be completed		M	14/6/2022	14/6/2022
22	PTE licence granted		H	30/06/2021	30/06/2022
23	Operation as PTE begins		H	1/10/2022	1/10/2022

12 areas must be met to fulfil the requirements of accreditation. The critical criteria based on a self-assessment is highlighted in yellow below.

### High-level NZQA Assessment Criteria

1. Contact details correct	
2. Body corporate structure	
3. Statement of education meets requirements	Critical: Skills Active's scope is unique, with 50 programmes across 7 sectors. A very diverse portfolio for small organisations)
4. Governing members	Critical: board members to meet requirements for PTEs
5. Governing members assessed fit and proper	
6. Governance conflict of interest	
7. Adequate staff, equipment and premises	Critical: assessment of roles and shared service structure, assessment of online classroom and no physical premises.
8. Financial management, practices and performance	Key requirement but no current concerns.
9. Information to prospective learners	
10. Quality management system	Critical: meets NZQA requirements
11. Pastoral care code requirements met	Critical: meets NZQA requirements
12. Learner fee protection	

### Contingency

- Triggers for the contingency plan will be aligned to the tentative dates for interim feedback from NZQA 1 April and 15 May 2022.
- If through this mechanism two or more critical areas (above) have been identified as areas of concern without a clear pathway to resolution a contingency plan will be enacted.
- The contingency plan will involve
  - a transfer of arranging training functions to either Te Pūkenga or Te Wānanga o Aotearoa.
  - While a 'lift and shift' to Te Wānanga o Aotearoa ranked second highest in the Skills Active Transition Business Case, industry feedback favoured a Te Pūkenga transition.
  - Because of this any contingency would require seeking support from shareholders and industry on the two options.
  - Skills Active's preferred approach at this stage would be to transfer the responsibility of arranging training to Te Wānanga o Aotearoa, given their responsiveness to date, alignment with the Skills Active kaupapa, and breadth of options for transition to the organisation, which includes:
    - Subsidiary "lift and shift"
    - Transfer into the business unit "lift and shift"

- Transfer of arranging training functions into the wider organisation
- Transfer of arranging training functions and contract for services
- Conversations with providers will only commence if the milestone has been triggered.

## Section 3: Transition of Apprenticeship Training Activities

### Apprenticeship Training Activities going to the same provider as Arranging Training

Skills Active has recently seen a significant increase in the volume of apprentices, increasing from an average 80 enrolments per annum to more than 1,200 apprentices enrolled. Skills Active has responded to this increase by reviewing its processes to ensure apprentices are supported and the intention of SKILLS ACTIVE TE MAHO AKO is to continue to monitor and refine its processes. Apprenticeship Training Activities will be transitioned to SKILLS ACTIVE TE MAHI AKO in conjunction with other arranging training functions and as detailed in the previous section.

# Section 4: Transition of Other Activities

## 4.1 High-level approach and planning considerations

As indicated in section 1.4, all other activities will transition to SKILLS ACTIVE TE MAHI AKO as integrated functions alongside the arranging training function. These include:

- provision and support of Gateway and curriculum-based unit standards in schools
- employer facing brokering
- careers functions and activities intended to encourage new learners into employment (collaboration with providers)
- Sale of learning and assessment resources to third parties
- sponsorship and other financial support for industry events, awards and promotion of training opportunities
- provision of workforce planning support for organisations, and sector groups.
- Administration of ActiveCV a professional toolbox lets people manage their continuing professional development information, apply for industry jobs, and formally verify their experience and qualifications
- Sponsorship and other financial support for industry events, awards and promotion of training opportunities

## 4.2 Alignment with the wider VE systems

- SKILLS ACTIVE TE MAHI AKO will work collaboratively with schools, wānanga, and other tertiary education organisations (including workforce development councils) to improve the outcomes of the education system as a whole, including the transition of ākongā into employment. It will:
  - Empower ākongā, clients and staff to be heard on educational, non-educational, and well-being matters and matters relating to the organisation's practices and services; and
  - Develop strong partnerships with—

- Industry and iwi, including Māori and Pacific employers, smaller employers, and those operating in niche sectors within te ahumahi ā-rēhia.
  - Communities at a local level, including hapū and iwi, and Pacific communities.
  - Educators and providers within the secondary and tertiary sectors.
- It will use the insights gained through partnerships to:
  - Develop and provide vocational education and training products that meet short-term and long-term skills needs.
  - Ensure its work-based learning provision supports smaller employers, volunteer organisations, niche or remote te ahumahi ā-rēhia sectors.
  - Align education and training delivery to support the unique social and economic goals of communities engaged in te ahumahi ā-rēhia.
- WDCs work with their industries to develop and maintain a strategic view of the skills their industries require now and in the future. They translate these needs into expectations of what the vocational education system will deliver. SKILLS ACTIVE TE MAHI AKO- will be expected to respond to these expectations in the sectors that we serve, to develop programmes that will deliver the right skills.
- Similarly, Regional Skills Leadership Groups, which work to meet local skill needs, will help SKILLS ACTIVE TE MAHI AKO develop programmes that will deliver the right skills for their region
- We will also be engaging with and partnering with the WDC, RSLGs and other groups to provide insights into skill development from a delivery lens alongside other providers.
- Skills Active has engaged with schools, third party providers and assessors to ensure that they are aware of Skills Active’s intended approach to maintaining all current arrangements and service models. We will formally communicate confirmation to these interested parties once TEC Board approval is received. Following NZQA approval, All learners and employers will be notified of the move from Skills Active to SKILLS ACTIVE TE MAHI AKO by way of transition letters by 30 August. We will continue to provide RoVE updates in our monthly newsletters to learners, assessors and our clients.

# Section 5: Declarations

Please confirm, on behalf of your TITO, that:

Y	You are satisfied that the receiving Arranging Training and Apprenticeship Training Activities provider(s) meet the TEC's initial approval criteria.
Y	You agree to immediately inform TEC of any risks or issues that could adversely impact your operations, to allow us to discuss how these could be managed, before transition.
Y	Where applicable, you agree to factor your Transition Plan and transition date into your annual investment planning process and to work with the TEC to provide for a smooth transition of funding.
y	Your Transition Plan (Second Version) has been signed off by your relevant governance body.

Please provide your details, including your role within your organisation:

<b>Your name:</b>	Sam Napia
<b>Your position/ role:</b>	Board Chair
<b>Name of TITO:</b>	Skills Active Aotearoa

# Appendices



## Supporting information

Supporting documents appended

<i>Appendix 1</i>	<i>Skills Active Transition Business Case and options paper</i>
<i>Appendix 2</i>	<i>Summary of TITO's current business</i>
<i>Appendix 3</i>	<i>Examples of RoVE update presentations from industry presentations</i>
<i>Appendix 4</i>	<i>Examples of RoVE updates sent to all employers</i>
<i>Appendix 5</i>	<i>Stakeholder engagement outcome report (July 2021)</i>
<i>Appendix 6</i>	<i>Letters of endorsement from industry bodies and key employers</i>
<i>Appendix 7</i>	<i>Details of electronic voting on the transition from employers</i>
<i>Appendix 8</i>	<i>Learner survey results</i>
<i>Appendix 9</i>	<i>Engagement and evaluation of prospective PTEs</i>
<i>Appendix 10</i>	<i>SKILLS ACTIVE TE MAHI AKO receiving plan</i>
<i>Appendix 11</i>	<i>Details of current programmes and learners by receiving provider</i>
<i>Appendix 12</i>	<i>Term Sheets for the agreements between Skills Active and receiving providers</i>
<i>Appendix 13</i>	<i>Governance and project approach for Skills Active transition</i>
<i>Appendix 14</i>	<i>Letters of intent / MoU TWoA and Te Pūkenga</i>
<i>Appendix 15</i>	<i>High-level Project Schedule</i>