

Appendix 11 - Skills Organisation

Purpose of this document

The Education and Training Act 2020 requires Transitional ITOs (TITO's) to develop a Transition plan for the transfer of responsibility for certain activities including Qualification Setting Functions (QSF) and Arranging Training (AT).

This document outlines the Transition Plan for the transfer of QSF to the Workforce Development Councils (WDC's). It has been prepared for the Tertiary Education Commission (TEC).

A Transition Plan draft was provided to The Skills Organisation (Skills) by TEC's Establishment Unit (EU). This information has been used to inform content for our Transition Plan, and has been re-written to ensure that it accurately provides the information required to outline Skills' transition approach.

Section One: Guiding Documents

Education and Training Act 2020

The Education and Training Act 2020 sets out to establish and regulate an education system that:

- provides New Zealanders and those studying in New Zealand with the skills, knowledge, and capabilities that they need to fully participate in the labour market, society, and their communities; and
- supports their health, safety, and well-being; and
- assures the quality of the education provided and the institutions and educators that provide and support it; and
- honours [Te Tiriti o Waitangi](#) and supports Māori-Crown relationships.

Of particular importance and for reference in relation to this Transition plan, we are guided by Schedule 1, Section 52, requiring TITO's to develop Transition plans for the transfer of Qualification Setting Functions and Arranging Training.

Section 52 – Transitional savings, and related provisions

Every TITO must develop transition plans as soon as practicable after 1 April 2020

- a) develop a transition plan for approval by TEC that provides for the transfer of
 - i. responsibility for the activity described in clause 45(3)(a) (or any part of that activity), or the activity described in clause 45(3) (b) to the extent that it relates to developing or maintaining qualifications, to any 1 or more workforce development councils;
 - ii. responsibility for the activities described in clause 45(3) (b) and (c) (or any part of those activities) to any 1 or more providers specified by TEC;
 - iii. responsibility for any of the activities described in clause 45(3) (or any part of those activities) to another transitional ITO;
 - iv. the assets of the transitional ITO to any 1 or more providers, workforce development councils, or other transitional ITO; and
- b) implement and maintain that plan; and
- c) support providers specified by TEC when transferring the responsibility for the activities described in clause 45(3) (b) and (c).

Skills notes that as a TITO it holds responsibility for some of the proposed functions that will transfer to the WDCs, there are also new functions identified for WDCs that are in addition to the recognised TITO activities.

Skills will therefore give focus to the transferring activities of Section 45, and where possible provide guidance and advice to the new functions outlined in Section 366 relating to the WDCs.

Section 45 - Effect of recognition Transition ITO activities

Activities are as follows;

- (a) developing, setting, and maintaining skill standards to be listed on the Directory of Assessment Standards; and
- (b) developing and maintaining arrangements for the delivery of work-based training that enable trainees to achieve the relevant skill standards; and
- (c) the apprenticeship training activities.

Section 366 - The functions of a workforce development council

1. Leadership
 - a) to provide skills and workforce leadership for the specified industries, including by identifying their current and future needs and advocating for those needs to be met through its work with the industries and with schools, providers, regional bodies, and the Government:
2. Developing and setting standards, capstone assessments, and qualifications
 - a) to develop, set, and maintain skill standards:
 - b) to develop and maintain industry qualifications for listing on the Qualifications Framework and to maintain qualifications for which it has become the qualifications developer:
 - c) to develop and maintain training schemes:
 - d) to develop and maintain training packages:
 - e) to develop, set, and maintain capstone assessments based on the needs of the specified industries:
3. Endorsing programmes and moderating assessments
 - a) to decide whether to endorse programmes developed by providers:
 - b) to carry out moderation activities in relation to any standards and capstone assessments it sets:

4. Advisory and representative role

i. to provide employers with brokerage and advisory services approved by TEC:

a) to advise TEC, as provided for in section 411,—

i. about its overall investment in vocational education and training:

ii. about the mix of vocational education and training needed for the 1 or more specified industries covered by the workforce development council in the manner required by TEC:

iii. to represent the interests of the specified industries:

b) Other functions

i. to perform any other functions conferred on it by the Minister in relation to the specified industries.

Section Two: The Skills Organisation

Our Story

Over the last 10 years Skills has diversified to be more than just an Industry Training Organisation and in January this year we launched Skills Consulting Group. We offer a wide range of services to industry and employers both now and in the future, domestically and internationally.

We are transitioning into a consulting group providing expertise and advice in learning and development, workplace wellbeing and education consulting. We are committed to ensuring the success of New Zealand's vocational education system, working alongside industry, providers and key stakeholders to ensure needs are met.

We feel it is important to mention this as it means we are in a different position to several other TITO's, since we intend that Skills Consulting Group will continue as a member-owned entity beyond the transfer of our formal ITO responsibilities.

Locations

Skills is located across 19 locations with its main office being based in Auckland. There are approximately 158 staff within Skills TITO, with up to 29 staff undertaking partially or solely Qualification System Functions.

Principles, Approach and Strategy

Skills proposes to

- Work collaboratively with TEC Establishment Unit EU to ensure the successful establishment of WDCs and to ensure minimal impact of these changes on Skills staff
- Carefully manage the delivery and transfer of existing work to minimise the impact on industry, employers and learners
- Where possible, support the minimisation of the cost of change to the vocational education system
- Meet its obligations of being a good employer, including treating staff fairly and transparently. We will work proactively and constructively to ensure handover process for affected staff is fair, equitable and well managed.
- Continue to be flexible, as the WDCs are not yet in place and are still in the design process.

Risks and Issues

This change is complex and difficult. There are a number of key risks that Skills faces:

6. Little to no control over the creation of WDCs. This means we will need to proactively engage to influence the RoVE programme and the TEC EU.
7. Little to no control over the timing of when standards setting and qualifications development activities are transferred, as a consequence of changes in the expected timing of WDC establishment. This has made it difficult, in turn, to provide certainty and clarity to affected TITO staff. We will need to remain flexible and create two-way communication channels with the TEC EU.
8. There is significant risk that good quality people will be lost to vocational education – due in part to change fatigue. The implementation of WDCs were originally scheduled for October 2020. We will continue to clearly communicate with our people with an emphasis on transparency and frequency.
9. A key consideration for Skills is that it intends to remain a significant vocational education organisation after it has transferred its TITO responsibilities.
10. The need to coordinate with other TITOs and NZQA to transfer at the same time they transfer the function to the specific WDC (see section on Timing below)

Section Three: Skills Transition Plan - WDC

Overview

Skills proposes to transfer standard setting and qualifications development functions and responsibilities to four WDCs:

1. Construction and Infrastructure
2. Health, Community and Social Services
3. Manufacturing, Engineering and Logistics
4. Service Industries

Note, there are 2 qualifications for Financial Capability that we are currently in conversation with NZQA about as the intention is that these qualifications will NZQA as the current standard setter.

This section of our Transition Plan will focus on the functions and areas defined as Qualification Systems Functions (QSF). Some relate to the formal functions and responsibilities that are transferring from the TITO, while others relate to the statutory functions of WDCs. These are:

- Developing and setting standards, capstone assessments, and qualifications
- Moderation Activities
- Endorse Programmes
- Skills Leadership – noting this was specifically removed from ITOs in 2012 as a formal role and although we are active in this space, it is a function being re-established through the WDC's, rather than transferred from TITOs.

Timing

As the WDCs establishment activities, including design, are still in progress there is still the possibility of changes to the key dates outlined below. Skills will continue to be proactive in engaging with the TEC EU in order to mitigate any negative impact of possible date changes.

We are aware that unlike arranging training, standard setting and qualifications development functions and responsibilities will be transferred from TITOs and NZQA at the same time – the execution is not staggered. This means that we will need to be aligned with other TITOs and NZQA in our activities.

There are a number of key dates that are relevant to the creation of the WDCs:

1. Consultation with TITO/NZQA staff on organisational structure proposals will commence in late June 2021
2. WDCs' governance to be in place early July 2021

- WDC operational stand up will be on the 4th October 2021, with staff in place and standard setting and qualifications development responsibilities formally transferred and expected to operate.

Communications

Skills has been working proactively to communicate with industry, employers and staff about what the implementation of WDCs will mean. We will continue to work with the TEC EU Communications team to ensure that the information is accurate and timely. We will also coordinate (where practicable) with other TITOs and NZQA.

Mapping of Qualifications, Standards and Credentials

The following table describes the allocation of Qualifications, Standards and Credentials to WDC's which Skills is currently responsible for.

	Construction & Infrastructure	Health, Community and Social Services	Manufacturing Engineering & Logistics	Service Industries
QUALIFICATIONS	56	27	2	34
STANDARDS	913	483	29	373

Managing the impact on Staff

The creation of WDCs means that Skills will no longer be able or required to undertake standard setting and qualifications development functions as of the operational stand-up date (4 October 2021). We will make all endeavours to ensure that staff are given the support to make the best decision for them in regards to their professional career.

With the emergence of Skills Consulting Group, there are three main scenarios that impact our staff;

- Skills no longer needs the role, as the functions are to be undertaken by a WDC
- Skills no longer needs to perform some of the current functions in a particular role, as they are WDC related, but needs to continue to perform other functions relating to TITO arranging training or other functions.
- Skills no longer need to perform some of the current functions in a particular role, as they are WDC-related, but needs to continue to perform other non-TITO functions within Skills Consulting Group.

With all of the above scenarios, Skills will make every reasonable effort to ensure staff processes are fair, equitable and well managed.

The legislation enables the transfer of Skills' staff on existing terms and conditions, and without redundancy where a role in a WDC is substantially the same as their current role. We note, however, there is no requirement for a WDC to employ any of Skills' staff. We note that as they are currently our staff what we offer staff in terms of redundancy is for us to determine, while being cognisant of the Act.

As the WDC organisations are outside Skills's control, Skills will not be able to control or conduct any selection process for our staff in the WDCs. Nevertheless, Skills intends to take all possible reasonable steps to:

- Provide input into and expert guidance on QSF including the impact on job design, processes and other requirements
- Seek to understand the WDC organisational structures and position descriptions
- Determine, in conjunction with the WDC, the impact of these changes on Skills staff
- Clearly communicate the proposed and final changes for Skills staff, including providing clear, timely and transparent communication as part of the staff consultation process
- Support Skills staff through any selection processes. Skills will support the mental health and wellbeing of their people through a range of employee assistance programmes offered by InStep, one of our specialist services.
- As appropriate and where reasonable, support staff to participate in WDC induction activities

It is noted that Skills staff whose roles are to be disestablished and who are not offered substantially similar roles within a WDC will be able to apply for vacant roles in all WDCs ahead of other candidates.

Transfer of TITO Standard Setting and Qualifications Development Work in Progress and Data

Skills intends to stop all formal ITO-related standard setting and qualifications development work on September 4, 2021. This is to allow the necessary activities to take place to support the smooth transition of work in progress and the relevant data. This includes relevant historical data.

Specifically Skills will:

- Identify all existing QSF work
- Determine the status of that work (complete, in progress, to commence)
- Determine what information or data is required to support that QSF
- Work with the TEC EU to determine the best way to transfer the associated information and data
- Transfer the relevant data in the manner and with the timing agreed with the TEC EU.

An outline of the types of data that will be transferred is described below. Skills will provide data that is deemed 'public', or in the public domain, for example qualification, skills standards data and NZQA submissions. Data of a commercially sensitive nature, or confidential to Skills will not be provided. We will need to take into consideration privacy, confidentiality and/or commercially sensitive information with all other requests for data transfer.

	Data Migration
STAKEHOLDER DATA	Relevant stakeholder data which is currently stored in CRM and document management system in TITOs
QUALIFICATION DATA	Relevant qualification data which is currently stored in CRM and document management system in TITOs
SKILLS STANDARDS DATA	Relevant Skills Standards data which is currently stored in CRM and document management system in TITOs
MODERATION DATA	Relevant moderation data which is currently stored in CRM and document management system in TITOs
ENDORSE PROGRAMME DATA	Relevant programme data which is currently stored in CRM and document management system in TITOs
HISTORICAL DATA FOR SUPPORTING BUSINESS PROCESS	Relevant historical data which is currently stored in CRM and document management systems in TITOs. This includes the relevant historical data for the core functions documented earlier in the document.
WEBSITE CONTENT DATA	Relevant website content.
FILES AND SUPPORTING DOCUMENTS	Relevant files and supporting documents stored in File servers/ sharepoint
PROVIDER DATA	Relevant provider data which is currently stored in CRM and document management system

Transfer of Assets and Intellectual Property to WDCs

Excluding data, no assets or intellectual property will be transferred to a WDC.

Lease arrangements

It is likely that the office space used for Skills will be fully utilised by Skills Consulting Group.

As the other TITOs transfer leases to the WDCs and/or Te Pūkenga, Skills may be able to enter into a sublet arrangement with WDC's or TITOs during the Transition period. This can be negotiated directly, if required.

Continuity of Industry engagement approaches

To successfully undertake QSF industry engagement is needed. Skills has specific processes to engage with key stakeholders for qualification and unit reviews. We will work with industry and the TEC EU to replace (or continue) these industry engagement approaches.

From an operational perspective communication and consultation methods vary depending on the size and scale of a review. For example, a very small niche qualification review may not require a governance group; or a qualification that has had no issues indicated over five years may only require minor changes, again, not requiring a governance group.

Skills reviews have a combination of communication and consultation mechanisms:

FACE TO FACE MEETINGS	Face to face meetings are the best way to engage with stakeholders. These enable stakeholders to discuss and troubleshoot issues and solutions. This is considerably dependent on the nature of an industry, e.g. we are likely to have more meetings for Electrical Engineering level than we are for Motor Rewinding.
MICROSOFT TEAMS MEETINGS	Over Covid we have found that more groups are receptive to having shorter duration meetings more frequently over Microsoft Teams. It is not recommended for full day meetings or initial meetings. They work well for quick catch ups, getting agreement, and clarification.
WEBSITE	Posting progress on the website for wider stakeholders enables an opportunity to provide feedback on revised documentation.
TARGETED STAKEHOLDER MEETINGS	In some circumstances, targeted meetings are held with specific stakeholders to seek feedback. For example: we have presented to the members of Associations to keep them informed of progress, how the changes potentially impact the industry etc.

EMAIL	Email is used to (for example): <ul style="list-style-type: none"> • Confirm membership to a review/development group • Organise and confirm meetings • Seek and respond to feedback coming out of meetings • Confirm any minutes or decision making • Trouble shoot issues and solutions with the review group
MARKETING	In some cases, our Marketing team will develop communications to launch new and reviewed qualifications depending on whether programme approval is available at that time.
SURVEY	Some QSF projects are supported by surveys to reach a broader audience with specific questions.

Stakeholder group make up

In each group, whether working or governance, a wide representation of what makes up industry is important. If it is expected that a group may have large representation, we may break that down into targeted groups (i.e. providers, industry, other interested stakeholders).

The following is an overview of stakeholders that are considered during a review;

QUALIFICATION DEVELOPER	Facilitates and coordinates the review. Manages the relationship with these stakeholders throughout the review process.
REGULATOR	Licensing requirements Legislative requirements Understanding of issues/solutions required for the sector
ASSOCIATION	Member voice Understanding of issues/solutions required for the sector Workforce requirements for the future
UNION	Provides the voice of the workforce/employees
LARGE EMPLOYER	
MEDIUM EMPLOYER	

SMALL EMPLOYER	Employers provide information regarding their workforce requirements. The size of the organisation can provide different perspectives as to what the industry is needing.
POLYTECHNIC	Provides a programme delivery perspective. Providers also have their own relationships:
PRIVATE TRAINING ESTABLISHMENT	Regional needs
WANANGA	Iwi needs
SECONDARY SCHOOL	Pasifika needs
INDUSTRY TRAINING ORGANISATIONS	<p>NZQA requirements are that providers with consent to assess or programme approval are considered mandatory stakeholders. This does not mean that they are required to be on working groups but must be consulted. They need to be made aware that a review is happening and invite them to put in an expression of interest to be a part of the working group, or to provide any feedback that should be addressed at working group meetings.</p> <p>Other Workforce Development Councils with an interest in the standards being developed should be consulted. They will bring perspectives on behalf of their own industries and membership organisations such as Associations. Health and Safety is a good example of this as each industry may have their own health and safety requirements.</p>
SKILLS ORGANISATION INDUSTRY MANAGER	Provides insight from the ITO programme and relationship management perspective and provides leadership. This function will transfer to the WDC.
SKILLS ORGANISATION ACCOUNT MANAGER	Provides insight from our employer and learner perspective. This function will transfer to Te Pūkenga.
NZQA	NZQA is a key stakeholder in that they quality assure the qualifications and standards to ensure they are of a publishable quality before registering them on the NZQF.