


BCITO
building people

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**building
people.**





PrefabNZ Webinar Reforms of Vocational Education

August 2019
Warwick Quinn

Snap shot of changes

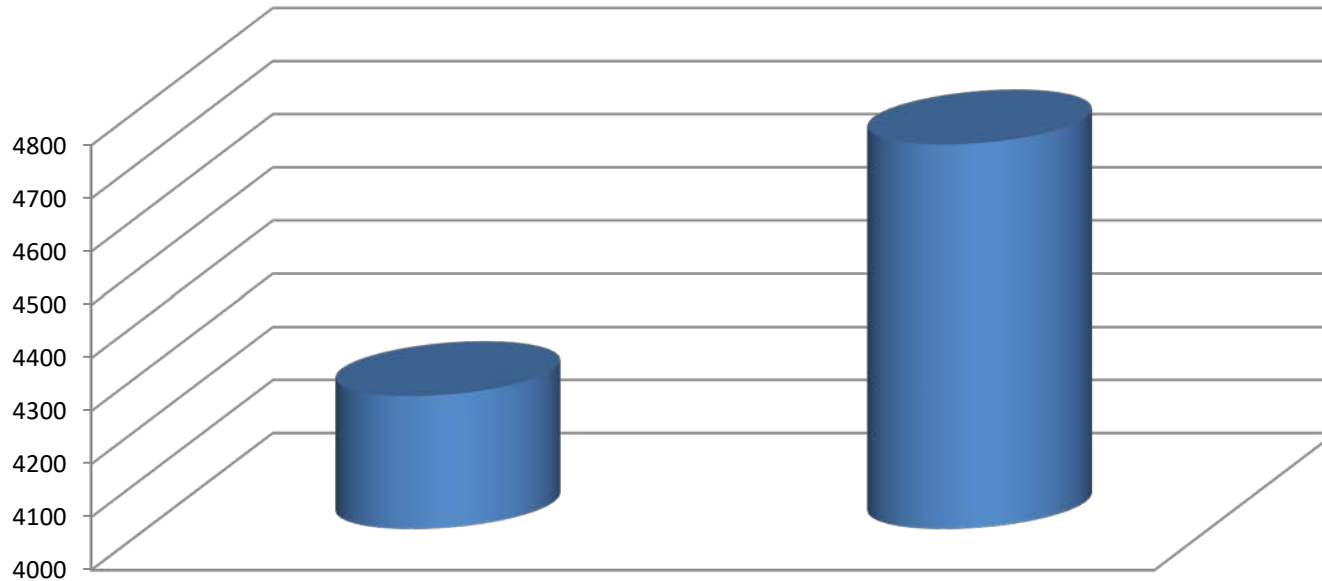
- Create a single Institute of Skills and Technology (IST) responsible for on-job and off-job training
- Remove on-job responsibility from Industry Training Organizations (ITOs) – 140,000 learners
- Create 4-7 Workforce Development Councils (WDCs) in the place of 11 ITOs

WDC functions

- Assess workforce needs
- Endorse programmes
- Develop qualifications, standards & training packages
- Set and moderate assessments
- Offer brokerage & advisory services to employers
- Direct TEC on funding decisions

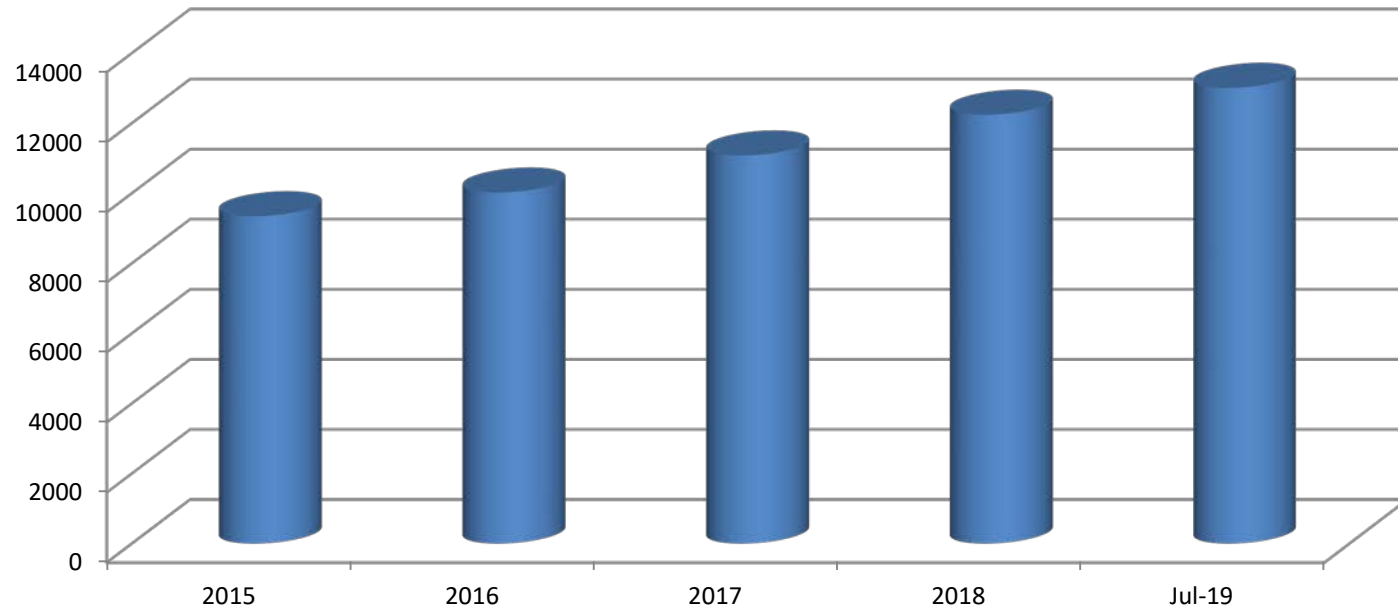
Sign ups July 2019 - benchmark

Sign ups YTD July 18/19

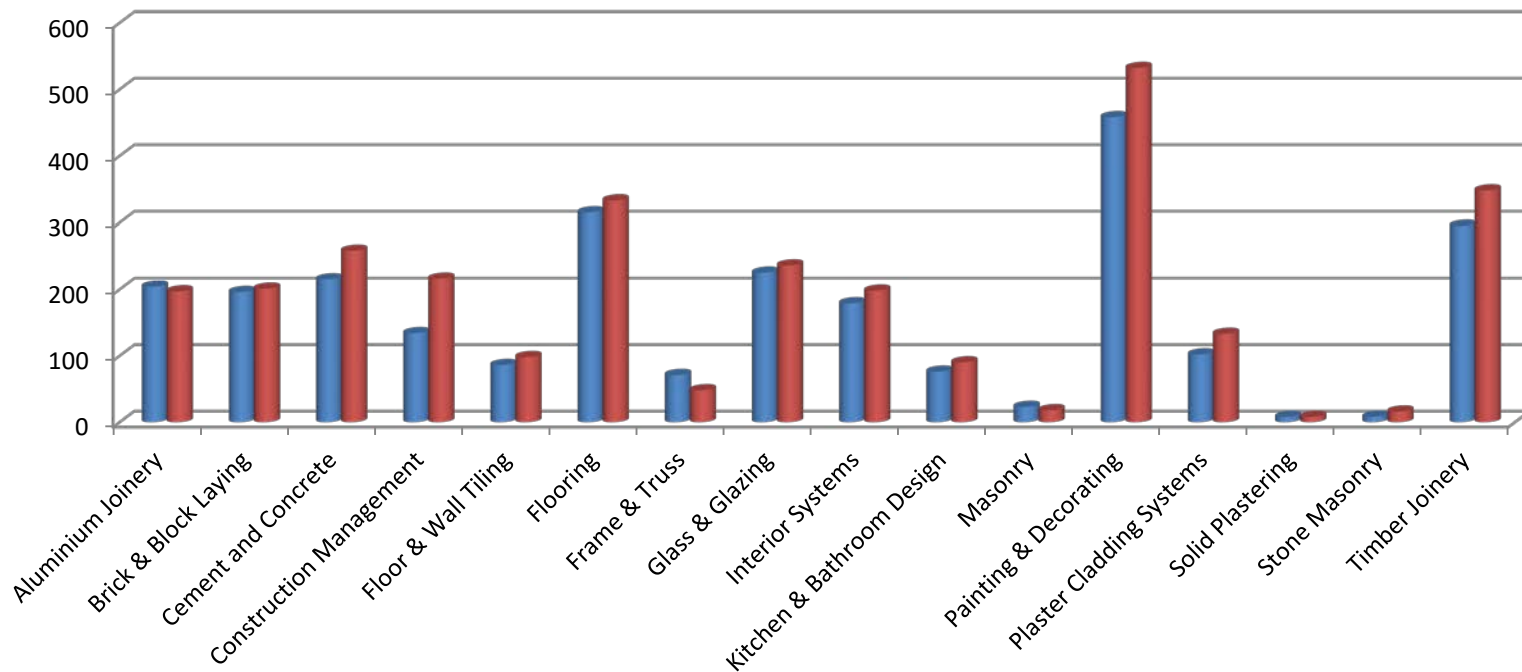


Active trainees June 2019 - benchmark

Total Trainees

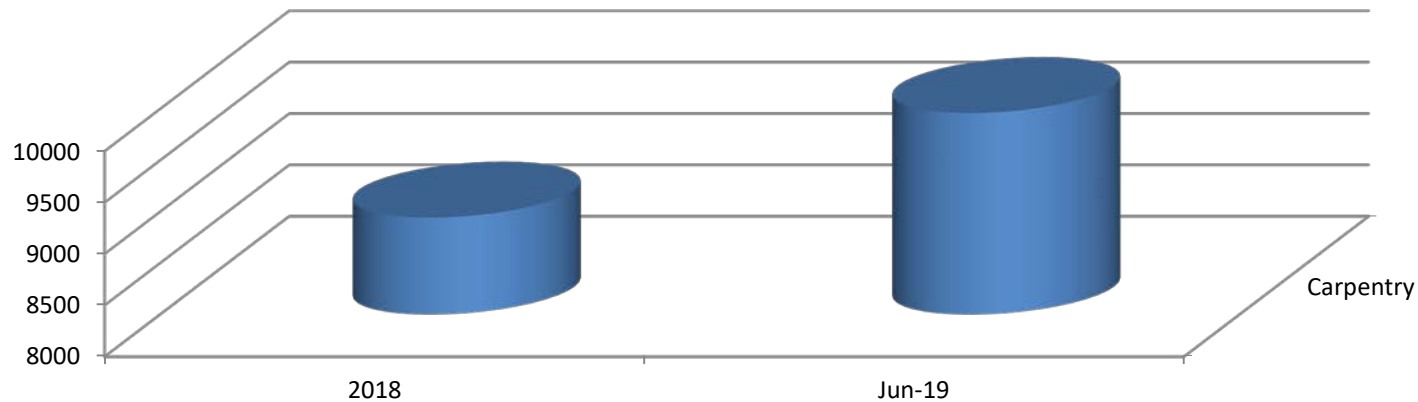


Growth in all trades June 2019 benchmark



Carpentry apprentices growth benchmark

Carpentry



Our position

- Summary of BCITO Submission:
 - BCITO rejected proposal (based on sector response)
 - Loss of ITO ‘arranging’ training a show stopper for employers
 - However liked many of the ideas relating to the WDCs that should be implemented
 - Had limited insights on IST
 - Commented on critical transitional issues and funding
 - Submission highly regarded by Ministers and officials.
 - Minister has been engaging with us further

RoVE - WDCs

- What we liked:
 - Greater say over providers
 - Greater control of content quality
 - Skills leadership functions for entire sector
 - Greater control over funding

RoVE - WDCs

- Govt could have been bolder:
 - Make ISB – ISA (Industry Skills Authorities) – now WDCs
 - Widen qualification coverage – levels 3-7
 - Develop industry/sector based WDCs
 - Ensure ‘brokerage’ is included (definition a work in progress)
 - Consider role of employer more – largely absent from discussion
 - Require WDC approval for CoVEs
 - Broaden WDC skills leadership to beyond TEC
 - Require WDC to approve transition to IST

RoVE – Provider/Funding

- Address ITP sustainability and culture via smaller scale mergers to create a ‘collegiate’ structure
- Ensure an equitable funding structure:
 - Flat rate for on job learning (higher than now)
 - Flat rate for off job learning (lower than now)
 - A third rate for integrated apprentices

Transition

- High risk and high stakes
- Have a 2 stage transition process:
 - Stage 1 – establish NZIST
 - Stage 2 – establish WDCs/transitional agencies
- Develop a well thought out process to transition learners: could involve staged/interim approaches depending on sector
- Must not disengage employers/ learners in process

Financial consequences are significant

- Infometrics Modelling Scenarios: - loss of employer value

	Signups	5 years	10 years
Modest employer reaction	-2%	-\$34.3m	-\$105.1m
Moderate employer reaction	-4%	-\$68.6m	-\$210.2m
Significant employer reaction	-10%	-\$148.6m	-\$455.6m

Other recent discussion papers

- **Building system legislative reforms**
 - Building products and methods
 - Occupational regulation
 - Risk and liability
 - Building levy
 - Offences, penalties and public notification
- **Productivity Commission**
 - Technology and the future of work

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