

**Getting on with the business: Good Practice  
between Industry Training Organisations and  
Institutes of Technology and Polytechnics**

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## Foreword

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In order to meet the skill needs of industry in such a fast-changing environment, tertiary education organisations need to develop ways of working together more effectively.

This publication addresses the relationship between Industry Training Organisations and Institutes of Technology/Polytechnics, highlighting examples of effective working relationships that build on the respective strengths of each.

It acknowledges key points of tension and seeks to distil the understanding of those tension points. It shows how creativity and innovation in relationships for better delivery is taking place – that we are getting on with the business of meeting the skill needs of industry.

This report suggests that the better approach for government to take if it wishes to enhance creativity and innovation is to get the incentives and broad policy infrastructure right. The relationships discussed in this publication show there is more value to be derived from increasing the flexibility in the tertiary education system. One key barrier is the lack of clarity about what Student Component and Standard Training Measure funding can and cannot be used for: when in doubt, it is less risky for government to say no than yes. We need to be in a position where the risk to business of not saying yes is the greater consideration.

The ITF thanks the Industry Training Organisations and Institutes of Technology and Polytechnics that contributed to this report and to the ongoing discussion about how we get on with the business of meeting the skill needs of industry.



Darel Hall  
Executive Director

## Introduction

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The purpose of this project was to examine the relationship between Industry Training Organisations (ITOs) and Institutes of Technology and Polytechnics (ITPs), and provide examples of good practice. The examples identify areas where these organisations are overcoming structural barriers to get the best results for industries and learners. The aim of the report is to provide information which will help ITOs, ITPs and government agencies to develop systems and process which move beyond overlapping provision and towards getting on with the business of meeting the skill needs of industry.

## Background

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ITOs and ITPs exist to provide complementary learning pathways.

ITOs' legislated roles are to:

- set skill standards for industry;
- arrange for the delivery of training programmes and qualifications for industry; and
- provide industry leadership by identifying skill needs, developing strategic training plans, and promoting training that meets industry needs.

ITPs are described in the Education Act 1989 in the following way:

*A polytechnic is characterised by a wide diversity of continuing education, including vocational training, that contributes to the maintenance, advancement, and dissemination of knowledge and expertise and promotes community learning, and by research, particularly applied and technological research, that aids development:*

Over time the roles of ITOs and ITPs have become less distinct, which is causing increasing tension between organisations. This is exacerbated by the different funding systems which have not kept pace with changing delivery styles.

The Tertiary Education Commission (TEC) has reviewed overlapping provision and developed principles to ensure respective provision is complementary rather than unnecessarily duplicative. This research project presents examples of ITOs and ITPs working together to meet the needs of industry in order to provide some positive examples and messages. This includes a range of activities, such as making day to day interactions work more smoothly, (sharing information, open relationships) as well as new and innovative approaches which draw on the various strengths of both organisations.

Meeting the skill needs of industry is about reaching the best balance between education and training that meets the needs of industry and equips individuals with a broader set of skills for work and life. This involves recognising the particular strengths of organisations and coming up with approaches that provide effective learning pathways, irrespective of organisation or funding type.

## Methodology

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The discussion section provides an overview of overlapping provision based on documents on overlapping provision and discussions with ITOs through interviews which was followed by a meeting with people from ITPs interested in working with ITOs. It covers the reasons for tensions between the organisations, and themes for building better relationships.

In moving towards meeting the skill needs of industry, case studies are presented of ITOs and ITPs who are working together effectively. Interview questions were developed to help guide interviews with ITO CEOs and staff in late 2005. The case studies are based on written material provided by ITOs and on interviews.

## Discussion

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This section investigates the concepts involved in meeting the skill needs of industry using the strengths of ITOs and ITPs, including analysis of documentation on the issue, and the results of interviews with ITOs and a meeting with ITPs.

### **Context**

Overlapping provision as defined by TEC refers to: “friction that exists at the interface between TEO funding and delivery systems, and is focused upon unnecessary competition and duplication between the industry training and Student Component funding and delivery systems.”<sup>1</sup>

The overlap between ITOs and ITPs is a specific example of the impact of broader changes in the ways adults are learning and working. In recent decades the tertiary education sector was accessed by young people, and there were distinct pathways through higher education and apprenticeships, usually leading to work. This is changing, with people of all ages accessing learning at various career stages and tertiary education organisations taking on broader roles. Different types of educational organisations are now offering learning across broader learner profiles, disciplines, methods of delivery, and levels. With less defined stages of learning, regulatory systems are being tested as organisations move beyond their traditional roles to offer more flexible and customised education experiences.

Australian research on a cross sectoral funding model for post compulsory education finds that “the traditional orientation of each sector is no longer sufficient to describe what institutions in each sector do.”<sup>2</sup> While there are important differences between the New Zealand and Australian systems, such as the more distinct separation between higher education and vocational education and training in Australia, the countries share the difficulty of responding to the need for education services that reflect the changing needs of its citizens.

The Watson report found that in order to remove barriers to collaboration and movement between the different sectors (secondary school, vocational education and training (VET), higher education and adult and community education) consistent principles would need to be applied across all of the sectors. Funding levels per student, accreditation frameworks, processes for determining funding priorities, mechanisms for allocating resources to institutions, student

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<sup>1</sup> TEC (August 2005) *Overlapping Provision in Tertiary Education*, Briefing Note to Minister of Education

<sup>2</sup> Louise Watson et al, (ANTA 2002) *A Cross Sectoral Funding Model: Is it fair and feasible?*

contributions and equity strategies were examined to see how in each area, barriers to collaboration can be reduced.

In 2002/03 the New Zealand government established the Tertiary Education Commission, and developed the Tertiary Education Strategy, Charters and Profiles and Integrated Funding Framework with the intention of bringing about a more integrated and collaborative tertiary education system focused on meeting New Zealand's economic, social and environmental goals. The changes envisaged in the strategy are taking more time to realise than anticipated. Collaboration between tertiary education organisations is not widespread, which may in part be due to the differences in regulatory, funding, and quality and accreditation processes that are often based on organisational differences rather than differences in the learning being offered.

### *Moving beyond overlapping provision*

The Industry Training Federation (ITF) and the Institutes of Technology and Polytechnics of New Zealand (ITPNZ) have been working on developing a clear understanding of the different but complementary roles of ITOs and ITPs in meeting the skill needs of the economy. In a workshop in 2005 they agreed that:

- ITOs generally have a national focus, technical expertise, and primarily concentrate on their industries,
- ITPs generally have a regional focus, teaching expertise and primarily concentrate on learners.<sup>3</sup>

The reasons for tension between ITOs and ITPs was in large part seen as coming down to funding – in particular the way it is configured and the incentives to tertiary education organisations (TEOs), which is not seen to match the government's desire for a collaborative system where organisations work to their distinctive advantages.

The Tertiary Education Commission in 2004 prepared a discussion document to encourage a debate about the different roles organisations may need to play in order to provide New Zealand with the teaching and learning and research needed in the future. As a result of the *Consultation Document on the Distinctive Contributions of Tertiary Education Organisations*, the roles of different organisations were defined in more detail in the government's *Statement of Tertiary Education Priorities 2005-07*, but there was still more work needed on how ITOs and ITPs (and private training establishments) would interact.

The Tertiary Education Commission reviewed overlapping provision in 2005 and came up with principles, in conjunction with representatives of ITPs and ITOs, to

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<sup>3</sup> *Report on combined ITPNZ/ITF workshop: on working together to achieve educational, industry and economic outcomes* Wellington, 27 January 2005

be used during the development and approval of tertiary education organisation profiles. The issue of funding configuration and incentives to TEOs was not on the agenda. The principles agreed to focus on:

- reiterating the respective roles of ITOs and ITPs;
- noting that each has a role to play in meeting needs of training for industry;
- providing for a more open relationship between ITOs and ITPs; and
- advocating the responsible use of public money.

While the overlapping provision principles are a useful tool which will help to reduce instances of duplication, the view of the ITF at the time was that they did not address a key issue – that of the higher Student Component funding rate being used to provide work-place learning for individual businesses of a similar nature to that organised by ITOs through the lower Standard Training Measure (STM) funding rate.

Changes in the tertiary education funding system, such as the introduction of targeted funds aimed at improving quality, innovation and collaboration may help to reduce overlapping provision at the margin. However, the majority of tertiary education funding remains largely driven by student enrolments, which can result in tertiary education organisations competing for learners. In an attempt to move beyond this, the ITF is focusing on meeting the skill needs of industry.

Moving the focus away from overlapping provision is about tertiary education organisations overcoming structural barriers to working with each other in order to develop approaches that meet the needs of industry *and* equip individuals with a broader set of skills for work and life.

In order to develop a system which promotes meeting the skill needs of industry, it is important to recognise the perspectives of ITOs and ITPs and to understand some of the practices which are happening currently that attempt to alleviate the tensions inherent in the different funding and regulatory mechanisms.

### ***ITO and ITP perspectives***

As stated above, ITOs and ITPs agree that they have distinctive but complementary roles in the tertiary education system. Both are interested in ensuring the New Zealand workforce has the skills needed for a prosperous economy. This section explores some of the differences in perspective between ITOs and ITPs, based on interviews with ITOs, a meeting with representatives of trade schools of polytechnics, and documentation on the overlapping provision issue.

#### *Funding relativities*

A key issue for ITOs is around the funding relativity between STM funded industry training and Student Component funded provision at ITPs when they are

being used to offer, essentially, the same delivery mechanism (i.e. workplace learning).

From the ITO perspective, there is a lack of certainty around what the different parts of the funding system can and cannot be used for, requiring government clarification of expectations about what it is funding. ITOs accept the need for a difference between funding for ITOs and ITPs on the basis of the infrastructure costs involved in offering a wide range of courses for a region. However, they believe that the provision of learning for individual businesses in the workplace that does not use this infrastructure should not be funded at this higher rate, as this is what the Industry Training Fund is for.

ITPs also see that there is a lack of clarity in the funding system, and while some believe that overlapping provision is not a problem, some see the merits of having a clearer split between providers and funders, which could involve ITOs no longer providing funding for off-job training. Others believe that the issue is with the funding model, and that this should be revised.

#### *Cost of on-job training*

For some ITOs, purchasing ITP provision for off-job learning is not affordable. This may mean the ITO will arrange for all its training to happen on the job, while others will purchase their off-job training from PTEs, who can often provide services at a lower cost because of lower overheads.

From the ITPs perspective, ongoing capital and staffing requirements cannot be met at the price offered by some ITOs for the delivery of the off-job component of Industry Training. The relatively small numbers of learners and/or small amounts of learning required by ITOs, as well as rising costs of materials, can also make ITP delivery of off-job industry training difficult to sustain financially. While ITPs may be able meet the costs of delivery of off job training by covering these costs from elsewhere, this results in students on other courses subsidising the ITO learners' off-job training, which is seen as inequitable.

#### *Responsiveness and predictability*

There are ITOs who believe that some ITPs are not responsive to the needs of industry, particularly in new areas of training. The perceived focus of ITPs on whole programmes/qualifications is seen by some ITOs to run counter to a growing need among learners and employers for tailored sets of skills and competencies. Also, being flexible and responsive to industry and businesses is a key requirement of ITOs, and the time required by ITPs to develop new programmes can mean that ITOs are not always able to meet new skill needs as quickly as they would like to.

Some ITPs argue that meeting the needs of industry is one of their core roles, and that they have close contact with industry through advisory groups and Modern Apprenticeship coordination, which can sometimes give them a different

industry perspective to ITOs. This may relate to a perception that ITPs have a regional focus, while ITOs' primary focus is at a national level. In saying this, many ITOs have a strong regional presence and are involved in Modern Apprenticeship co-ordination, and several ITPs have campuses across multiple sites.

ITPs recognise that setting up new qualifications and innovative approaches is time consuming under the current system. ITPs feel that meeting new industry needs is restricted by current funding and qualification development rules, which mean that they can take up to a year to develop new programmes. On the other hand, ITPs have expressed concern that some ITO developed qualifications are not being updated.

### ***Where to from here?***

While there have been and continue to be areas of tension between ITOs and ITPs, organisations have developed ways of working together to meet the education and training needs of industry and learners, and have identified areas with potential for increased activity.

ITOs and ITPs are combining their resources to meet industry needs through information sharing, the development of qualifications and on approaches which closely align or combine Industry Training and ITP training. Some examples of attempts to develop and maintain approaches that work for both organisations are documented in the four case studies.

The themes that emerge from these case studies build on the TEC developed principles.

- A need to combine resources to meet industry needs – recognition that neither ITOs nor ITPs can meet industry needs on their own. For ITOs, identifying and working with particular ITPs or departments/people within ITPs enables learning that combines theoretical and practical knowledge in new ways.
- Recognising respective areas of expertise – ITPs have teaching and research resources and expertise, and generally offer a wide range of programmes of study and a more general vocational education that reflects industry needs; ITOs are closely aligned to industry, and can facilitate specialised or customised learning focused around what individual businesses require.
- Clarity around roles – arrangements will differ depending on the nature of the ITO and ITPs involved but there needs to be a clear idea of the core functions of each organisation in the relationship. In some circumstances this will involve formal relationships with clear processes and expectations, to provide certainty; for others, more informal relationships and arrangements may be

adopted to allow for responsiveness and customisation for unpredictable industry needs.

- Taking leadership – ITOs can have a facilitative role, bringing together ITPs, industry and other organisations to come up with solutions to meeting specialist skill needs that require new ways of thinking about learning.

# Case Study 1: NZ Horticulture ITO

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## Introduction

By developing qualifications and organising training, the New Zealand Horticulture Industry Training Organisation (NZHITO) aims to lift skill levels in the horticulture industry. As well as fruit and vegetable production, NZHITO represents the nursery, floriculture, arboriculture, amenity horticulture, and landscaping sectors.

## Effective partnerships

Mike Finlayson, Chief Executive at the NZHITO says that for the last 5 years they have been working co-operatively with several ITPs, in order to deliver skills for the horticulture industry. He sees the future in having a more integrated approach between ITOs and ITPs, which is about maximising the different strengths that the organisations possess, in order to best provide training for the industry and students.

*In the new tertiary environment, all the key players are being challenged to work together for the good of the country. Integrating industry training by combining the best features of polytechnic and ITO programmes...(will) produce better graduates for the industry and...strengthen and sustain the horticultural resource we currently have in the polytechnic sector.<sup>4</sup>*

NZHITO has various arrangements with ITPs which work with the distinctive advantages of both organisations. NZHITO is looking to progress this further by bringing in more ITPs, in order to adopt an approach to horticulture training that seamlessly links the two systems. Primary Industry Polytechnic Tutors Association (PITPA) is working with NZHITO in order to progress this goal.

The arrangement with Eastern Institute of Technology (EIT) in Hawkes Bay and similarly with Otago Polytechnic in Cromwell illustrate ways in which the two different systems of funding can be better aligned in order to get good results.

## Horticulture Cadetship – Partnership with EIT

NZHITO has an arrangement with EIT's fruit production programme where the ITO recruits the students for both programmes: EIT funds half through the Student Component system, and NZHITO funds the other half through STMs.

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<sup>4</sup> Mike Finlayson, *A Model for Future Trade Training in Horticulture*, 2005

In working towards their Level 4 National Certificate in Horticulture learners experience a combination of:

- workplace learning with a range of employers, and
- an extensive theory based element which includes block courses, tutorials, distance learning and field days.

The tutor who delivers the off-job component also provides assessment for the on-job component. Effectively, the learner will graduate with the level of theoretical and practical skills needed to progress their career in horticulture, regardless of whether they are enrolled in the Student Component funded programme or the STM funded programme.

### **Why the need for a combined approach?**

Research undertaken for NZHITO in 2004, *Employment Prospects and Training in Horticulture* found that in the medium term, the ITO should aim to increase the proportion of the horticulture workforce training at Level 4 and above and to work more with polytechnics to ensure industry requirements are met.

Working separately, ITPs and the NZHITO cannot provide for the future skill needs of the horticulture industry. Enrolment in horticulture training in ITPs has declined in recent years, and employers have expressed concern about the skill levels of graduates. With ITO training, the off job component can be difficult for learners to complete in the 10 days that employers are prepared to release them for training, and the credibility of on-job training in some workplaces is an area of concern.

By taking a combined approach, Finlayson believes that the teaching and learning resources and expertise of the ITPs, and NZHITO's close connections with industry will be used more effectively.

### **Where to in the future?**

NZHITO is planning on building on the types of programmes it has developed with EIT and Otago Polytechnic by involving more ITPs. As with the programme described above, this will involve bringing together the elements of polytechnic one year full time programmes with the three year ITO programmes to form a two year programme, providing the opportunity to specialise in a particular sector in the second year.

With this approach, half is theory and half is practical, and arrangements can be made for learners to move around employers as in a cadetship. Marketing and recruitment could involve joint effort between the ITP and the ITO, and arrangements for funding would be made to ensure there is no financial advantage in recruiting a learner under one or the other funding systems.

NZHITO is working on trialling this approach with 3 more ITPs, and is investigating the possibility of providing subsidies so employers can release employees for a day a week to attend the off job learning component, an increase on the 10 days provided currently.

## **Implications**

This is an example of an ITO working within the current tertiary education environment in order to better meet the needs of the Horticulture industry. The proposal for a more integrated approach to horticulture training involves systematising what has been working with EIT and other providers. It helps to overcome ITOs and ITPs competing with each other for learners, and instead pool resources in order to develop a quality learning experience which integrates workplace and classroom based learning. This will involve a new way of approaching learning for both the ITO and ITPs involved, and requires clear identification of the respective roles of each organisation.

## Case Study 2: InfraTrain

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InfraTrain organises training in the infrastructure industry. This includes roads and pavements, highways and bridges, water, gas and electrical systems and forestry and rural development and maintenance.

### Facilitating good outcomes for industry

The key to good relationships between ITOs and ITPs according to John Wills, Chief Executive of InfraTrain, is open and honest engagement. By adopting this approach, InfraTrain has been able to work with ITPs to develop some new ways of working in order to meet the skill needs of their industry.

### Working on qualifications with ITPs and industry

InfraTrain has been chairing a consortium of ITPs on the development of the Level 6 National Diploma of Civil Engineering, in order to bring consistency to training in this area. The aim of the project is to have a model where people achieve an academic engineering diploma at an ITP followed by, or alongside gaining the practical engineering diploma through the ITO, which is assessed while working. For John Wills, this process provides a good opportunity to understand how ITPs and ITOs can work together. It also helps to provide for a better educated community. The Diploma is currently being finalised.

InfraTrain is working with the Institute of Professional Engineers of NZ (IPENZ) and ITPs to map the ITO qualifications to the registration process for becoming a technician engineer.<sup>5</sup> This is an example of a three way working relationship where each organisation has strengths and roles. John Wills comments that getting the different organisations to see eye to eye has been a long process, as ITPs, IPENZ and ITOs had different views on assessment systems (i.e. the merits of competency-based against exam-based). However, by having a common goal, the organisations are able to align processes in order to meet the skill needs of industry.

### Training that meets industry needs

InfraTrain has also been working with ITPs to create training regimes that meet industry requirements. InfraTrain's knowledge has enabled them to negotiate with two ITPs to develop student component funded programmes that align with industry needs.

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<sup>5</sup> IPENZ are keen to see more graduates entering the Institution at the Technician Engineer (AIPENZ) and Technologist Engineer (TIPENZ) grades and will run registers for them. At present, the only register that is fully operational is the Professional Engineer (MIPENZ) grade which can also enable graduates to reach the Chartered Professional Engineer assessment.

The importance of off-job training is highlighted in InfraTrain's work with Western Institute of Technology (based in New Plymouth) and Tai Poutini, where tracts of land have been set aside to safely train learners in the use of earthmoving and civil engineering equipment. Learning to use this equipment needs to happen in a safe/controlled environment outside of the work site, where there is more freedom to experiment and make mistakes. This training responds to the Health and Safety in Employment Act 1992, which requires employees to be adequately trained in the use of equipment for their job. The implications of this legislation for developing safer work practices through training have yet to be fully realised and provide further opportunities for ITOs and ITPs to work together.

## **Implications**

In order to operate effectively, InfraTrain believes organisations need to maintain clarity around their respective roles. InfraTrain has worked with ITPs and industry bodies to identify areas of respective responsibility with a focus on working together to meet the needs of industry. InfraTrain has expertise in qualification development and knowledge of and connections with the infrastructure industry, ITPs have teaching and learning expertise, particularly in the area of theory based knowledge, and industry bodies have in-depth knowledge of the requirements of their particular part of the infrastructure industry (e.g. IPENZ in engineering). The way that the tertiary education system has evolved has meant that the roles of different organisations has become less distinct, which means that InfraTrain has had to work hard on defining their own areas of expertise and on working out how what they do fits with other organisations. Developing clarity around the different responsibilities of organisations around particular projects designed to meet industry requirements has allowed InfraTrain and ITPs to develop effective working relationships.

## Case Study 3: EXITO

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EXITO organises training for the extractive, petrochemical, gas, energy & chemical plant, drilling, and blaster coating industries. EXITO focuses on training for industry that takes into consideration productivity, health and safety, and the bottom line.

### **A partnership approach to meeting industry needs**

Customisation of training is often required to develop specialist skills in the extractives industries. Tom Reece Chief Executive of EXITO has found that this does not always align well with the focus of many ITPs, who often provide whole qualifications and have cost structures which require certain numbers of learners to be viable. In saying this, EXITO has a unique relationship with Tai Poutini Polytechnic, who they work closely with to develop a range of training solutions for the extractive industries which is based on Tai Poutini's unique approach to meeting training needs.

The reason that EXITO works so closely with Tai Poutini is because of its independence and ability to respond quickly to an identified industry need. Tai Poutini has developed expertise in training for a range of industries, including extractives. This means EXITO can build on this existing knowledge to meet new needs as they arise.

### **Unique approaches to training for industry**

Trust is essential to good relationships between ITOs and ITPs. The following examples of approaches to customising training to meet particular industry needs require a high level of trust and a focus on outcomes for industry:

- Blended learning for Solid Energy – this is a joint programme which is funded through the Student Component and STMs in order to meet the company's training requirements from pre-employment through to employment. This involves one set of unit standards being delivered through the Student Component system, while concurrently another set of standards is delivered through STMs.
- EXITO facilitates provision of an umbrella accreditation service by Tai Poutini for organisations with industry expertise that do not have accreditation to provide training for a specialised skill need. For example, an expert in explosives was brought over from Australia in order to provide training in an area where there is no New Zealand-based expertise or qualifications.

- Increased activity in the oil industry has led to the establishment of the Taranaki Drilling School – a joint initiative between EXITO, Tai Poutini and Greymouth Petroleum. EXITO has provided front end funding for the school, and a Pacific Rim recognised qualification has been developed to meet the skill shortage in drilling rig operators.

### **Where to in the future?**

The ability to further customise training for the extractives industries is a key requirement for the future, and this need for tailored learning provides an opportunity for ITOs and ITPs to work more closely together.

Increasing productivity is a key concern for EXITO. Currently businesses are working hard to maintaining productivity while changes in the way they work related to the Resource Management Act, Occupational Health and Safety and ACC, continue to be progressed. Building on this in the future has implications for training. This will involve providing a broader range of training, which will include becoming more engaged in Modern Apprenticeship and other education and training programmes.

For EXITO, one of the barriers to a better relationship between ITOs and polytechnics is the gap between competency based qualifications (unit standards and national certificates) and the other types of qualifications offered by tertiary education providers. Having the ability to fund a mixture of NQF and other qualifications would enhance the ITOs ability to provide for industry needs and would provide broader opportunities to work with ITPs.

### **Implications**

EXITO and Tai Poutini polytechnic have built up a relationship over time, which results in developing new ways of training that meet both individual business and industry sector needs. Focusing on their respective core business is an important part of this, as is a need to be responsive and to customise approaches for particular situations.

## Case Study 4: MITO

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The Motor Industry Training Organisation (MITO) manages apprenticeships in New Zealand's motor and industrial textile fabrication industries. MITO has relationships with a number of ITPs around the country.

### Clarity around roles and expectations

For MITO, relationships with ITPs are focused around the off-the-job training component of industry training. Training purchased is about enhancing on-job learning by meeting skill gaps.

Managing expectations is about being clear to all concerned what the intended outcomes of the off-job training. A set of objectives agreed with ITPs shapes the scene for off-job training delivery by demonstrating in advance how this training contributes towards qualification achievement. MITO works closely with employers and learners to agree the best option aligned to the agreed training plan. This level of engagement and support enhances “buy-in” for the training to be delivered.

### Processes for smooth interactions

MITO has invested in creating an environment of mutual respect and trust in their relationships with ITPs. This is about recognising each other's objectives. Sometimes this will involve working together, at other times they will work independently.

The following are examples of practices that MITO has developed to work with ITPs:

- Communicating – in order to talk through off-job training for 2006, MITO brought together administrative and academic staff representatives from all their off-job providers. The meeting aimed to develop common processes and requirements so that off-job training is cohesive around the country. MITO and the ITPs they work with have clear guidelines and are working together at all levels to ensure they understand each other's business.
- Planning – MITO plans the off job training well in advance. This means employers know when employees will be away, and learners can go to training prepared. The calendar year is used by MITO to align with ITP planning.
- Roles – MITO focuses on booking apprentices into the right off-job training and on knowing the outcomes and unit standards to be achieved well in advance. This means that providers have certainty and time for preparation,

so for the limited amount of time that they have the apprentices they can focus on the delivery of training.

- Sharing information – information is shared electronically with providers, and in 2006 MITO will be giving providers more information about students before they start. This will allow polytechnics to be more prepared as better information will lead to better quality training.
- Monitoring – MITO collects a range of information from providers, employers and learners through annual surveys in order to monitor the quality of services and continue to improve performance. Clear outcomes of training are defined from the start, to facilitate assessment and to make sure employers know what they are getting. Training needs to be focused on the achievement of unit standards, which requires providers being prepared for each individual and having good resources.
- Getting the balance right – flexibility around individual learner needs has to be balanced with the necessity for structure so that employers know what they are getting. At times there is tension between the employer focus of ITO and learner focus of ITPs. For Industry Training it is clear that the skills development made available to the learner is ultimately the employer's decision.

## **Implications**

MITO requires relationships with a wide range of ITPs in order to provide off-job training around the country for their learners. By developing clear understandings of the role of off-job training and the requirements of polytechnics, MITO has been able to create processes that suit the needs of both. These processes are about making sure that industry gets the skills that it needs on a national level.

## Appendix: PRINCIPLES GOVERNING ITP AND ITO ENGAGEMENT RE TRAINING IN INDUSTRY

### Principle 1

ITOs and ITPs acknowledge that each has a role to play in training in industry and that they should work together to ensure that:

- a. learners have access to different learning pathways;
- b. employers and businesses can access the training they need to build their workforces' capacity, and,
- c. the best learning outcomes are achieved through optimal use of different pathways.

### Principle 2

The Industry Training Act states that:

“Industry training” means systematic training, provided for people in an industry (or 2 or more industries –

- a. By or on behalf of employers in the industry (or industries); or
- b. For the benefit of employers and employees in the industry (or industries), -

in skills characteristic of, or likely to be valuable to, people engaged in the industry (or industries) (s 2).

ITOs and ITPs each have a role to play in industry training.

### Principle 3

ITOs have three statutory roles in the Industry Training Act 1992 that describe “industry training”. These are:

- setting skill standards,;
- developing and making arrangements for delivery of training, monitoring training, and assessing training; and
- providing leadership within their industry on matters relating to skill and training needs.<sup>6</sup>

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<sup>6</sup> In elaboration of the role of ITOs, the current Statement of Tertiary Education Priorities states that the role of ITOs is to “set skill standards and to arrange and promote quality education and training that meets the skill needs of firms in their industries. In particular, they will implement their leadership role by identifying future skill needs for the industries they represent, developing strategic plans to meet those needs, and sharing them effectively with providers, secondary schools and their industries” (STEP 05/07, p. 9).

## Principle 4

ITPs have a statutory description under the Education Act<sup>7</sup>:

A polytechnic is characterised by a wide diversity of continuing education, including vocational training, that contributes to the maintenance, advancement, and dissemination of knowledge and expertise and promotes community learning, and by research, particularly applied and technological research that aids development.

## Principle 5

A commitment to act in good faith<sup>8</sup> should underpin relationships between ITOs and ITPs.

## Principle 6

ITP and ITO decision-making should reflect shared openness, transparency, accountability and the application of good practice principles relating to expenditure of government funding<sup>9</sup>.

## Principle 7

i. In the event that an ITP receives a request from an industry or a sector of that industry for provision of training in industry and there is a relevant ITO, subject to the agreement of that industry, the ITP should enter into discussion with the industry and the relevant ITO with a view to agreeing on the best way of delivering quality training.

## Principle 8

In the event that an ITP is approached by an ITO in regard to provision of STM-funded training, the ITP will not entice or accept the learner or learners

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<sup>7</sup> In elaboration of the role of ITPs, the current Statement of Tertiary Education Priorities states that in particular, the role of the polytechnics is to:

- provide vocational training and education at certificate and diploma level, especially in trades and other applied areas;
- provide applied degree level education and training;
- offer regional tertiary education, particularly where students and learners are unlikely to travel for training or the training meets a regional need;
- provide pathways into tertiary education for adult students and learners, students and learners with few qualifications, and preparing them to achieve at higher levels; and
- provide niche training for particular industries. (STEP 05/07, p. 8)

<sup>8</sup> Acting in good faith requires ITPs to actively consult with ITOs, and ITOs to actively consult with ITPs. In short, it is a “no surprises” approach that will help build up trust.

<sup>9</sup> See *Procurement: A Statement of Good Practice*. Office of the Controller and Auditor-General (2001).

concerned into an alternative EFTS-funded training in industry programme delivered by the ITP or subcontracted by the ITP to another provider.

### **Principle 9**

In the event that an ITO receives a request from an industry, or a sector of that industry, for training to be arranged for which there is not a current contractual agreement, the ITO will establish a process consistent with best practice procurement<sup>10</sup> for all providers with capability to have opportunity to tender for provision.

### **Principle 10**

At the point where existing arrangements for delivery of training arranged through an ITO come up for renewal, and subject to the agreement of the relevant industry or industry sector, the ITO will establish a process consistent with best practice procurement<sup>11</sup> for all providers with capability to have opportunity to tender for provision.

### **Principle 11**

In the event that an ITP or an ITO is concerned that there may be an instance of unnecessary duplication or competition in training in industry, the ITP or ITO will, in the first instance discuss the matter with the TEO concerned. Should these discussions fail to reach a mutually satisfactory resolution, the ITP and/or ITO will discuss the matter with the Tertiary Education Commission.

### **Principle 12**

Where practicable, ITPs should be invited to participate on relevant ITO advisory bodies; similarly, relevant ITOs, where practicable, should be invited to participate in relevant ITP advisory bodies relating to industry training.

### **Principle 13**

For the purposes of this review, group apprenticeships have been excluded from the principles developed.

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<sup>10</sup>See *Procurement: A Statement of Good Practice*. Office of the Controller and Auditor-General (2001).

<sup>11</sup> *ibid.*

